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ABSTRACT

This document, one in a series of six Project SCAT (Skills for Consumers Applied Today) units for senior high school students, provides an overview of basic economic skills and consumer practices. Project SCAT is designed to help students develop basic skills, solve problems, and apply consumer knowledge necessary for making wise choices in the market place. Each unit features a content outline, student objectives, activities, resources, a specialized vocabulary, film descriptions, student activity sheets, transparency masters, answer keys, and a student booklet. In this specific unit, students examine the consumer role in terms of the free enterprise system, money economy, and the concept of supply and demand. Students list goods and services consumed by the class in a two-day period, invite an economic expert to speak, write a skit based on an equal treatment society, list products that cannot be judged for quality by just looking, discuss the impact of advertising on the individual, collect relevant articles from newspapers and news magazines, and discuss avenues of recourse for the dissatisfied consumer. The student booklet contains relevant vocabulary, readings, and worksheets. (KC)

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MONEY MANAGEMENT AND THE CONSUMER

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TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

BASIC ECONOMIC SKILLS: "Baffled, Bothered, Bewildered"

Skills for Consumers Applied Today

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Teacher PAL Tips

Welcome, teachers, to this $CAT Consumer Education Teacher PAL*. We hope you will find this a useful resource while you are teaching this subject. Features of this PAL include:

A CONTENT OUTLINE of the Student PAL subject matter to aid you in class discussions.

STUDENT OBJECTIVES which state in behavioral terms the objectives of the Student PAL.

SUGGESTED ACTIVITIES which you may wish to use as enrichment activities. These include:

INTRODUCTORY ACTIVITIES which give suggestions for introducing the topic.

DEVELOPMENTAL ACTIVITIES which give ideas for developing the major concepts in the Student PAL. These suggestions are keyed to each section of the Student PAL and include appropriate resources.

REVIEW ACTIVITIES which give suggestions to guide the culmination of the study.

RESOURCE suggestions which are of three types and coded as follows:

* Materials developed by $CAT and included in this Teacher PAL.

+ Commercially developed materials, available at a cost.

= Commercially developed materials, available free or on a free-loan basis.

ADDRESSES of the producers of all suggested resources as well as others which you may wish to contact for additional ideas and/or materials.

* Packaged Activities for Learning

A SPECIALIZED VOCABULARY which is an alphabetized listing of all the "Passwords" listed in the Student PAL.

FILM DESCRIPTIONS for each film suggested as a resource.

INSTRUCTIONAL AIDS which include Xerox masters for the Test, the Test Answer Sheet, Student Activity Sheets, Film Guides, and Transparencies which you may wish to use in your study.

ANSWER KEYS for the Test, $CAT-developed Activity Sheets, and all pages from the Student PAL requiring student responses.

A STUDENT PAL for your reference.

In addition, some pages in the Student PALs are designed specifically to encourage class discussions, and teacher-led discussions may be necessary to insure student comprehension of the concepts presented. Such pages in the Student PAL for this topic include:

Page 16:	Competition in a free enterprise system
Pages 22-23:	Reasons and consequences of purchases
Page 32:	Consequences of decisions
Page 42:	Decisions about scarcity
Page 51:	Levels of consumer action

These features are suggestions only. You, the instructor, know your class best and should feel free to choose those activities and resources most appropriate for your students.

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INSTRUCTIONAL AIDS . . . . . BLUE

- Test
- Test Answer Sheet
- Student Activity Sheets
- Film Guides
- Transparency Masters

ANSWER KEYS . . . . . YELLOW

- Test
- Student Activity Sheets
- Student PAL

STUDENT PAL . . . . . GREEN

Basic Economic Skills

Today's consumer finds himself "baffled, bothered, and bewildered" all too often. As a user of both products and services, it is necessary for him to:

know his role in our free enterprise system

make *many* decisions before purchasing a product or service

evaluate the use of budgetary procedures

be aware of his consumer rights, responsibilities, and avenues of recourse

Because today's consumer often shops more wisely when choosing a 39¢ item than when making major purchases, it is necessary to present basic consumer skills *before* such skills are needed in critical life situations.

Baffled, Bothered, Bewildered is meant to serve as an introduction to basic economic skills and consumer practices. It is a general overview and not meant to study consumer practices in depth. Individual modules on budgeting, banking, credit, insurance, and taxes are designed to explore specific consumer areas and build upon the basic concepts discussed here.

Content Outline

I. The consumer role

A. Free enterprise system
   1. Wide range of choices
   2. Comparison shopping
   3. Reward: good buy

B. Money economy
   1. Development from barter
   2. Exchange of skills for necessities and luxuries

C. Supply and demand
   1. Demand for new goods and services
   2. Needs and tastes dictate products
   3. Price factor

II. Purchasing decisions

A. Why - Reasons for making purchases

B. What to buy
   1. Difficult decision:
      a. Variety of products
      b. Complexity of products
   2. Sources of buying information
      a. Friends' advice
      b. Consumer magazines
      c. Advertising
      d. Shopping guides
      e. Consumer organizations
      f. Better Business Bureaus
      g. Labels, hang-tags, etc.
      h. U.S. Government

C. When to buy
   1. Plan purchases
   2. Avoid impulse buying
   3. Shop sales
      a. Pre-inventory
      b. Seasonal
      c. Special
      d. End-of-Season
      e. Preferred Customer
      f. Irregulars, Seconds, Damaged Goods
      g. White Elephant
      h. Garage, Yard and Carport

D. How to buy
   1. Be sure you need it
   2. Inspect
   3. Check sizes
   4. Consider colors
   5. Compare
   6. Cash or credit decision
   7. Be aware of advertising

a. Be alert for
   (1) Appealing to your "better instincts"
   (2) Using snob-appeal
   (3) Playing on your vanity
   (4) Appealing to your competitive "Keeping up with the Joneses" instinct
   (5) Rushing you
   (6) Promising too much
   (7) Bait and switch
   (8) Sign on the dotted line
b. Protection:
   (1) Reputable merchants
   (2) Don't fall for "something for nothing"
   (3) Check with Better Business Bureau

III. Budgeting

A. Know what is purchased; for how much

B. Plan
   1. Determine income
   2. Estimate expenses
      (a) Fixed
      (b) Flexible
      (c) "Extras"
      (d) Plan for savings
   3. Record actual spending
   4. Compare estimates with actual spending

C. Steps
   1. Start it
   2. Write it
   3. Try it
   4. Keep it or revise it

IV. Rights, responsibilities, recourse

A. Be aware of rights

B. Fulfill responsibilities

C. Know avenues of recourse
   1. Identify difficulty
      a. Delivery failure
      b. Performance failure
      c. Failure of communication
      d. Misrepresentation, deception, fraud
   2. Write a letter
      a. Appearance counts
      b. Address highest officer of company
      c. Be concise and specific
      d. Send copies to proper agencies

Student Objectives

1. Given a password and several descriptive phrases, the student will correctly identify the phrase that defines the password.

2. Given several alternatives including free enterprise, the student will select free enterprise as the name of the economic system of the United States of America.

3. Given several phrases and/or sentences pertaining to the roles, rewards, etc., pertaining to free enterprise and government-controlled economic systems, the student will identify those phrases and/or sentences which pertain to the free enterprise system.

4. Given a description of a situation where goods and services are bought and sold, the student will determine whether the situation described can be classified under a free enterprise or a government-controlled (or non-free enterprise) system.

5. The student will select from among several alternatives the typical uses of business profits in the free enterprise system.

6. Given several phrases and sentences, the student will identify those which describe or pertain to a money economy.

7. With regard to supply and demand, the student will identify business as the supplier and the consumer as the demander.

8. Given a real-life situation where either supply exceeds demand or demand exceeds supply, the student will be able to determine its expected effect on the regular retail price of an item for sale.

9. Given several alternatives, the student will identify the market as the principal determinant of the price and supply of an item for sale.

10. Given several alternatives, the student will identify the American economic system as one of free enterprise, a money economy, and supply and demand.

11. Given several alternatives, the student will identify the consumer's "vote" in the marketplace as being when the consumer selects one brand from many that are offered for sale.

12. Given several alternatives, the student will identify consumer demand as a predominant influence on what is produced in this country.

13. Given several alternatives, the student will identify sources of information for comparison shopping.

14. Given several alternatives, the student will identify several good practices when comparison shopping for goods and services.

15. Given a real-life situation involving a consumer problem which probably could have been avoided with greater consumer care, the student will identify the good consumer practice that, if followed, could have prevented the problem.

16. Given several alternatives, the student will identify item cost, services offered and store policies as general considerations to be made when deciding where to make a purchase.

17. Given a list of alternatives, the student will choose seasonal sales as not offering leftovers or hard to sell items.

18. Given several alternatives, the student will identify practices which will aid the consumer to avoid being an impulse buyer.

19. Given several alternatives, the student will select an end-of-season sale as the sale related to purchasing a winter coat in the spring.

20. Given several alternatives, the student will identify considerations which should be made when shopping for credit.

21. Given a real-life selling or advertising pitch the student will determine whether and/or which pressure selling technique is being utilized.

22. Given several alternatives, the student will identify sales as not usually being examples of sales, tricks, or gimmicks.

23. Given several statements relating to budgets, the student will select the alternative which states that increased spendable income is not a characteristic of a budget.

24. Given several alternatives, the student will identify basic failures which commonly cause consumer problems.

25. Given a consumer problem that can be classified as a type of failure, the student will determine which type of failure is illustrated.

26. Given several alternatives, the student will identify that choosing a reputable dealer is a means of avoiding consumer problems.

Introductory Activities

Generalizations	Activities	Resources
Consumer responsibility is great in a free enterprise system.	1. Administer *Baffled, Bothered, Bewildered* test as a Pre-test.	* Test Teacher PAL
	2. Define "Consumer" as one who uses goods and services.	* Transparency Master #1 Teacher PAL
	3. List all goods and services consumed by class members in a two day period. Analyze the list to determine if items of consumption were necessary, wasteful, etc.	
	4. Lead a class discussion on the need for consumers to be informed and selective. Emphasize ecological and personal aspects of buying.	
	5. Begin a bulletin board on consumerism. Allow students to add topics as they appear in class discussions.	
	6. Have students work in groups to write and present a skit entitled "The Day Buying Stopped," depicting the consequences if consumers stopped purchasing. Video tape if feasible.	
	7. Suggest that interested students write to: Center for the Study of Responsive Law P.O. Box 19367 Washington, D.C. 20036 (a Ralph Nader group) to obtain a guide for organizing neighborhood consumer projects.	

Generalizations	Activities	Resources
	8. Discuss: What does a consumer need to know before he can make wise consumer decisions in the modern marketplace?	
	9. Investigate the American consumer's role today.	+ The American Economic System...and your part in it (booklet) The Advertising Council
	10. Begin planning for a publication or presentation to share with other students at the end of the unit of study. Focus on guidelines for the modern consumer to follow in making wise decisions in the purchasing of goods and services.	

Developmental Activities

Activities	Resources
1. Utilize ***What's My Role?***	* Student PAL, pp. 5-16
2. Define "free enterprise system" as it operates in the U.S., emphasizing private enterprise, profit, and incentive. Compare with socialistic and communistic economies.	* Transparency Master #2 Teacher PAL
3. Invite an economic expert to point out the workings of an economy in a free enterprise system. Ask students to list major factors.	Local resource person
4. Discuss: State 3 ways in which consumers may benefit from competition among businesses. An important difference between capitalism, socialism, and communism is in who owns the capital resources. Explain who owns the capital resources in each of the economic systems. Can you think of ways in which competition among business might work to the disadvantage of consumers?	+ It's a Capital Idea (sound filmstrip series) Disney Educational Materials
5. Emphasize the importance for every economy to provide answers to the questions which determine: What goods and services shall be produced? How shall the goods and services be produced? How much can be produced? For whom should the goods and services be produced? How fast should the economy grow? Compare the answers each economic system might give.	* Transparency Master #3 Teacher PAL

Activities	Resources
6. Have students write and produce a skit based on life in a society in which all receive "equal" treatment with no profits, bonuses, etc. Video tape if feasible.	
7. Evaluate the statement: The purpose of an economy is to produce goods and services, large in quantity, high in quality, reasonable in price for maximum consumer use.	= The Kingdom of Mocha (16 mm film - Film Guide #1) Modern Talking Picture Service = The Kingdom of Mocha (spirit master booklets) The Kingdom of Mocha
8. Assign a report on Adam Smith's The Wealth of Nations. Emphasize the importance of this 1776 introduction to the general public on the workings of a market system.	
9. Research and report on the evaluation of money. If possible, set up a display of items once used for money.	* Transparency Master #4 Teacher PAL = Money, Banking & the Federal Reserve System Section I: "Money" (activity masters) Federal Reserve Bank of New York = Fundamental Facts About United States Money (pamphlet) Federal Reserve Bank of Atlanta + Money--What It's Worth (16 mm film - Film Guide #2) FilmFair Communications

Activities	Resources
	= The Story of Money (comic book) Federal Reserve Bank of New York
10. Evaluate the statement: A good form of money is durable, portable, divisible, and convenient in size.	
11. Discuss a day without money. Does the use of money have a great effect on our way of life?	+ World Without Money (16 mm film - Film Guide #3) Disney Educational Materials
12. Discuss the economic principle of supply and demand.	* Transparency Master #5 Teacher PAL
	+ Consumer Game (16 mm film - Film Guide #4) Pyramid Films
1. Utilize ***Decisions, Decisions***	* Student PAL, pp. 17-36
2. Discuss the fact that today's consumer has a variety of decisions to be made before purchasing goods or services.	* Transparency Master #6 Teacher PAL
	+ The Comparison Shopping Puzzle (16 mm film) Journal Films, Inc.
3. Have students survey one product (such as a detergent) and list the varieties available--brands, types, sizes, etc.	

Activities	Resources
4. Have students list as many products as possible that cannot be judged for quality by "just looking."	
5. Have students make a list of purchases they feel they will make in the next week. Ask that they record all actual purchases made. At the end of the period, compare the list with actual purchases, identifying any unnecessary or "impulse buying" items.	
6. Discuss situations in which students made purchases without comparison shopping.	
7. Display a number of items or packages (foods, detergents, etc.). Ask students to determine which offers the "best buy" in terms of nutrition, cost per ounce, etc.	
8. Discuss the impact of advertising on the individual consumer: How many ads do you see or hear a day? a. Survey TV commercials List all the products advertised during a half-hour or hour show. Include morning, afternoon, and prime-time viewing hours. b. Count the non-classified ads in the local newspaper. c. Count the ads in both a news and special interest magazine. d. Count the commercials during a half hour of your favorite radio program. e. Tabulate the total number of ads for a person listening to one radio program, watching one TV program, and reading two magazines.	* Transparency Master #7 Teacher PAL
9. Discuss advertising and sales techniques or gimmicks which might be misleading. Discuss why such appeals "sell."	+ Advertising (videotape) Maryland Center for Public Broadcasting + Advertising: The Image Makers (multimedia kit) Xerox Education Publications + Advertising: Information, Persuasion or Deception (Film Guide #5) + Buying with a Twisted Arm (Film Guide #6)

Activities	Resources
	+ Why Do We Buy? (Film Guide #7) (16 mm films) Journal Films, Inc. + The Buy Line (Film Guide #8) + Foot in the Door (Film Guide #9) (16 mm films) FilmFair Communications + The Old Reliable Bait and Switch (Film Guide #10) (16 mm film) Paramount-Oxford Films + 6 Billion $$$ Sell (Film Guide #11) (16 mm film) Films Incorporated + 60 Second Spot (Film Guide #12) (16 mm film) Pyramid Films
10. Utilize newspaper ads to compare prices of sale items with "usual" costs in local stores.	
11. Invite a local store manager to discuss sales, emphasizing times of year to buy specific items.	Local resource person
12. List different types of sales and evaluate the reason for the different sales and possible advantages and disadvantages to the buyer.	

Activities	Resources
13. Devise a list of pointers for a "Super Shopper."	+ Buying Right Let the Buyer Beware (sound filmstrip series) Eye Gate House + Consumer Education Series (5 sound filmstrips) Interpretive Education + Let's Go Shopping, Situations 1 & 2 (multi-media kit) Changing Times
14. Discuss actions and influences which often cause us to make less than wise consumer decisions: Include: impulsiveness peer & parental pressure other emotional factors	
15. Discuss comparisons which should be made before making a purchase. Include: price quality service Discuss the meaning of each term.	* Transparency Master #8 Teacher PAL
16. List factors to consider when choosing sale merchandise: * Brand names and labels * Regular stock items or merchandise bought especially for the sale * Quality, price and warranties of similar products offered in other stores * Blemishes, dents, scratches, etc. * Comparison of sale items in all categories with similar non-sale items	+ Comparison Shopping (learning activity package) Unigraph Products
17. Ask, "What if an advertised sale item is no longer available when you go to the store?" Emphasize the fact that if the sale is still going on, the consumer has the right to demand the advertised item at the advertised price, even if it must be ordered. Include discussion of "Rain Checks" offered by some stores.	

Activities	Resources
18. Emphasize the importance of learning shopping skills when shopping for services. (IT HAS BEEN ESTIMATED THAT 40% OF OUR AFTER-TAX INCOME IS SPENT FOR SERVICES.) List the types of services which we all use.	
19. Evaluate the following statements: * SELF-RELIANCE & GOOD TASTE ARE YOUR BEST GUIDES * "HIGH PRICE = QUALITY" IS A FALLACY * BRAND NAMES DO NOT NECESSARILY MEAN THE BEST BUY	
20. Discuss sources of buyer information available in school and public libraries. Include: *Changing Times* *Common Cause Newsletter* *Consumer Bulletin* *Consumer Newsweekly* *Consumer Reports* *Consumer's Buying Guide* *Consumers Index* *Consumers' Research* *FDA Consumer* *Money* *Moneysworth* Obtain copies of as many publications as possible and discuss the purpose of each and what type of information it contains.	
21. Suggest that students may keep current on consumer happenings by reading the consumer sections in most women's magazines and city newspapers.	
1. Utilize ***Do I Need a Budget?***	* Student PAL, pp. 37-44
37	33
2. Discuss the advantages and disadvantages of budgeting.	
3. Utilize an audio-visual approach to the need for and advantages of budgeting.	+ Needs and Wants (16 mm film - Film Guide #13) FilmFair Communications

Activities	Resources
1. Utilize ***The 3 R's***	* Student PAL, pp. 45-57
2. Collect articles from *Business Week, Newsweek, Time, U.S. News and World Report, The Wall Street Journal,* and the daily newspapers for a bulletin board emphasizing the theme, "Consumer Rights and Responsibilities."	
3. Discuss how dishonesty affects item cost.	Local businessman
4. Emphasize the importance of the third "R" -- responsibility. Ask: What is the individual consumer's responsibility in the marketplace?	+ Consumer Rights and Responsibilities (learning activity package) Unigraph Products
5. Role play types of consumer problems, emphasizing students' work-related experiences. List actual experiences. List possible problems. Determine the appropriate approach or agency to handle several of the examples listed.	
6. Collect newspaper and magazine articles describing various consumer frauds. Discuss how the individual consumer could have avoided his present plight and where he can go for help under his present situation.	
7. Invite a representative of the Better Business Bureau to discuss his agency's consumer services.	Local resource person
8. Discuss the value and meaning of guarantees or warranties. Ask: "A guarantee is a guarantee and it protects you when you buy a product. Right?" WRONG !! Why?	= "Warranties: There Ought to be a Law..." (pamphlet) The Federal Trade Commission

Activities	Resources
9. Collect several guarantees from different products. Read them and analyze them. Ask: What parts of the product are guaranteed? For how long? Who stands behind the guarantee, the retailer or the manufacturer? Where must the product be taken or mailed if it is defective? Will there be any costs to you and what are they? How soon will you get action on the defective product?	* Transparency Master #9 Teacher PAL
10. List the areas which must be included in a warranty: 1. What product or part of product is guaranteed 2. Duration of the guarantee 3. What the consumer must do before the guarantor will fulfill his obligation 4. Who the guarantor is 5. How the guarantee will be fulfilled: unconditional; parts & labor under normal use; parts, but not labor, etc.	
11. Utilize audio-visual materials to demonstrate there really is somewhere to turn when there is a consumer complaint. Include Federal Information Center sources for answers to questions about the federal government. (The nearest Federal Information Center is listed in the white pages of local telephone directories under "U.S. Government.")	+ Consumer Complaints: The Right Way (16 mm film - Film Guide #14) Barr Films + The Consumer & the Marketplace, "Consumer Purchasing (multi-media kit) Pendulum Press, Inc. + The Consumer Offensive (16 mm film - Film Guide #15) Benchmark Films, Inc. + If It Doesn't Work...Complain (16 mm film - Film Guide #16) Journal Films, Inc. + Let's Go Shopping (multi-media kit) Changing Times

Activities	Resources
	+ There Is A Law Against It (16 mm film - Film Guide #17) This is Fraud (16 mm film - Film Guide #18) FilmFair Communications
12. Discuss the avenues of recourse open to the dissatisfied consumer. Identify the areas of concern for each. Merchants Suppliers Radio & TV "Action Reporter" "Call for Action" Newspaper Action Private consumer organizations Business & trade associations State & local government Federal government agencies Legal channels--small claims courts, etc. List several common agencies such as FDA, FTC, ICC, Consumer Union, etc., and determine to which group each belongs.	* Transparency Master #10 Teacher PAL
13. List the "Don'ts" to remember when complaining: Don't: tell your story for practice lose your temper be afraid to speak out let distance stop you--write! ever lose confidence in your ability to win	* Student Activity Sheet #1 Teacher PAL
14. Form committees to compile lists of federal, state, and local agencies which protect the consumer. Each committee may prepare a written or oral report of the value of the agencies in providing consumer information.	
15. Prepare a pamphlet, circular of information, school newspaper, or bulletin board contrasting rights and responsibilities of consumers.	

Review Activities

Generalizations	Activities	Resources
Today's consumer has a complex role to play in a complex system, but can learn to be skilled in choosing and using goods and services.	1. Review the meaning of consumer. Ask students to make consumer words from the term. (con, sum, sue, etc.)	* Transparency Master #1 Teacher PAL
	2. List the 4 sections in the student PAL: What's My Role? Decisions, Decisions Do I Need A Budget? The 3 R's Discuss what those titles mean to students now.	
	3. Utilize the Specialized Vocabulary for review exercises or games.	* Student Activity Sheet #2 Teacher PAL
	4. Compare the terms *Caveat emptor* (let the buyer beware), the law of the Romans; and *Caveat vendor* (let the seller beware), the byword of the current consumer movement.	
	5. Discuss the statement that modern consumers are beyond the *caveat emptor* stage and are demanding that the buyer be informed.	
	6. Review the student objectives for this module.	* Student Activity Sheet #3 Teacher PAL

Generalizations	Activities	Resources
	7. Plan and present a consumerism program for other students or parent groups, emphasizing the points learned in class. Illustrate how it is possible for the modern consumer to not be baffled, bothered, or bewildered. Video-tape if feasible.	
	8. Administer *Baffled, Bothered, Bewildered* test as a Post-test.	* Test Teacher PAL
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General Resources – Addresses

The Advertising Council, Inc.
825 Third Avenue
New York, NY 10022

AIMS Instructional Media
Services, Inc.
626 Justin Avenue
Glendale, CA 91201

Alfred Higgins Productions, Inc.
9100 Sunset Boulevard
Los Angeles, CA 90069

Barr Films
Arthur Barr Productions, Inc.
Post Office Box 5667
Pasadena, CA 91107

Benchmark Films, Inc.
145 Scarborough Road
Briarcliff Manor, NY 10510

Centron Films
1621 West Ninth Street
Lawrence, KS 66044

Changing Times Education Service
1729 H Street N.W.
Washington, D.C. 20006

Eye Gate House
146-01 Archer Avenue
Jamaica, NY 11435

Federal Reserve Bank of
Atlanta
104 Marietta Street N.W.
Atlanta, GA 30303

Federal Reserve Bank of
Minneapolis
250 Marquette Avenue
Minneapolis, MN 55480

Federal Reserve Bank of
New York
Public Information Department
33 Liberty Street
New York, NY 10045

The Federal Trade Commission
Legal and Public Records
Room 130
Washington, D.C. 20580

FilmFair Communications
10900 Ventura Boulevard
Studio City, CA 91604

Films Incorporated
1144 Wilmette Avenue
Wilmette, IL 60091

Interpretive Education
400 Bryant Street
Kalamazoo, MI 49001

Journal Films, Inc.
930 Pitner Avenue
Evanston, IL 60202

The Kingdom of Mocha
Post Office Box 1400K
Dayton, OH 45414

Maryland Center for Public
Broadcasting
Owings Mills, MD 21117

Modern Talking Picture Service
5000 Park Street North
St. Petersburg, FL 33709

Paramount-Oxford Films
5451 Marathon Street
Hollywood, CA 90038

Pendulum Press, Inc.
Social Studies School Service
10000 Culver Boulevard
Culver City, CA 90230

Pyramid Films
Box 1048
Santa Monica, CA 90406

Unigraph Products
Post Office Box 24287
Seattle, WA 98124

Walt Disney Educational
Materials
500 South Buena Vista Street
Burbank, CA 91521

Xerox Education Publications
Education Center
Columbus, OH 43216

Specialized Vocabulary

APR	Annual Percentage Rate; the rate of interest for one year; the real cost of credit
BAIT & SWITCH	A method used by a seller to lure customers with an advertised item and then try to sell a similar, but more costly, item
BALLOON PAYMENT	An inflated final payment in a credit contract; often twice the size of other payments
BARTER	To give goods or services in return for other goods or services; to trade
BETTER BUSINESS BUREAU	A non-profit business organizatior which provides information concerning companies selling goods and services, and offers a free-of-charge procedure for processing consumer complaints
BUDGET	A plan for using your money
COMMAND ECONOMY	An economic system in which production decisions are made by a ruler or a small group of rulers
COMPARISON SHOPPING	Shopping for the best value by comparing quality and cost
COMPETITION	Business rivalry; competing for customers or markets
CON ARTIST	Confidence man; one who attempts to cheat another through trickery

CONCISE	Brief and to the point
CONSCIENTIOUS	Careful
CONSUMER	A person who uses goods or services to satisfy his own needs rather than to resell or produce other goods with them
CONTRACT	A legal agreement between two parties in which one agrees to give something in return for receiving something else
CREDIT	Paying for the privilege of using an item before it is paid for
DEFAULT	Failure to pay when due
DEMAND	The quantity of goods or services purchasers are willing and able to buy at a specific price at a given time
DOWNPAYMENT	A part of the full price paid at the time of purchase or delivery with the balance to be paid later
ECONOMY	A system of producing, distributing and consuming wealth; financial system
ESTIMATE	Calculate; gauge
FIXED EXPENSES	Expenses which remain much the same from month to month
FLEXIBLE EXPENSES	Expenses which can vary from month to month
FREE ENTERPRISE	An economic system in which private industry and business is free to operate competitively with a minimum of government regulation

IMPULSE BUYING	Buying without prior planning; spur-of-the moment purchasing
INCOME	Money received on a regular basis
INTEREST	The amount paid for the use of borrowed money
INVENTORY	Listing of all goods and merchandise within a store
IRREGULARS	Items that have some type of imperfection
LUXURIES	Non-essentials
MARKET	To offer for sale; purchasers
MARKET ECONOMY	An economic system in which producers try to sell their goods and services at the highest price consumers will pay
PERFORMANCE	The effectiveness of operation or function
PROFITS	The money remaining after all costs of producing goods and operating a business have been deducted
RECOURSE	Help; protection
REPARATION	Compensation; anything done to make up for a wrong
REPUTABLE	Respectable; well thought of
RESPONSIBILITIES	Obligations

RIGHTS	Those things to which one has a just claim or should expect
SCARCITY	Deficiency; limited resources to purchase unlimited needs and wants
SEASONAL	Occurring only during a particular time of the year
SECURITY	Something given as a pledge of repayment
SERVICE	Work done or duty performed for another or others, such as professional service, repair service
SNOB-APPEAL	Appealing to one's desire to appear to be richer, more successful, etc., than others
SPECIFIC	Definite; precise
SUPPLY	The quantity of goods or services sellers are willing to sell at a specific price at a given time
SYMPATHY	Compassion, pity
TRADING STAMPS	Stamps given by merchants at the time of purchase; stamps may be redeemed later for gifts
TRADITIONAL ECONOMY	An economic system in which most production decisions are made following the customs of ancestors
VANITY	Being excessively proud of oneself or one's possessions
WHITE ELEPHANT	An item which is no longer of value to the owner

Film Descriptions

ADVERTISING: INFORMATION, PERSUASION OR DECEPTION (13 minutes) - Journal, 1973 FILM GUIDE #5

Every purchase represents an attempt to satisfy needs and desires on many different levels -- from the most practical to the completely irrational. Advertisers try to reach the consumer on all of these levels. Starting from this premise and employing a light but critical approach, the film helps students distinguish between the informational and manipulative uses of advertising.

BUY LINE (THE) (14 minutes) - FilmFair, 1972 FILM GUIDE #8

The film opens with a rapid montage of contemporary visual advertising. We examine each ad learning about psychological seduction, disclaimers, false and misleading statements, etc. We also examine good ads that provide decision making information. Actual ads are presented (with product names masked) to illustrate how they use fantasy appeals to power, sexuality, popularity, and status to get the consumer to buy the product. Finally, a group of typical consumers share their opinions about advertising and offer personal criteria for judging ads and their products.

BUYING WITH A TWISTED ARM (13 minutes) - Journal, 1975 FILM GUIDE #6

There are a number of buying situations where the buyer appears trapped...there is nothing that can be done except to make the purchase. In the film we view four vignettes where the buyer appears trapped by an emergency, by pressure, by his or her emotions, and the flattery of a salesman. You decide -- are they trapped, or would preparation allow them to make a rational buying decision? No one is twisting your arm.

COMPARISON SHOPPING PUZZLE (THE) (13 minutes) - Journal, 1978

How can you figure out the shopping puzzle and still come out ahead? When you first try to put it together, it's thoroughly confusing, but as you work at it, it all begins to fit. First, determine your need. Then, after determining that you need the product or service, do some research and investigating. Take a look at all the same products available and check prices and dealer reputation. If you charge your purchase, shop for the lowest interest rates. You'll find dollars saved, better and smarter investments and happier, more trouble-free use of everything you buy.

CONSUMER COMPLAINTS: THE RIGHT WAY (11 minutes) - Alfred Higgins Productions, Inc. 1976 FILM GUIDE #14

Throughout history, man has needed to rely on others for products and services. What, then, can you do when products and services are not what they should be? A consumer, when wronged, can get results from a legitimate complaint by going about it the right way.

CONSUMER GAME (16 minutes) - Pyramid, 1973 FILM GUIDE #4

In a consumer society, buying the products people need and want is a kind of game. For teen-agers the motivation to play lies in the thirty billion dollars a year they have available to spend. The object of the game for the consumer is to obtain as much value as possible for his limited supply of money. The object of the game for the seller is to make as large a profit as possible on money invested in producing goods. Often these two goals of the consumer game conflict - consumers can be winners only if they know some of the finer points of the game.

CONSUMER OFFENSIVE (THE) (26 minutes) - Benchmark, 1975 FILM GUIDE #15

The old expression "you can't fight city hall" is wrong. The individual American consumer, cynical about government and industry's indifference to his needs, is discovering how to get better products for less money, protect his environment, and improve the quality of his life--by joining local and national consumer organizations. Over the past 75 years, the consumer movement has lobbied for the passage of consumer protection laws, boycotted and demonstrated, tested and rated brand products, and organized consumer groups that do everything from run food co-ops to vote for legislation against unsafe nuclear plants. Since the 1960's Ralph Nader, assisted by his young volunteers, has shown how much one man can do to improve life for all consumers.

FOOT IN THE DOOR (9 minutes) - FilmFair, 1972 FILM GUIDE #9

C1 C2

A potential victim of consumer fraud tells how a door-to-door salesman tried to sell her a color TV at her home. During the dramatized situation, she tells how her awareness of fraud came about because as a resident of a low-income housing project, she had been victimized by a similar pitch a year earlier. Her alertness in the present case results in arrest of the salesman. The film continues with a police lieutenant, familiar with fraud, who describes several pitches that can entrap people (home improvement frauds, magazine sales, etc.), and lists basic questions to ask ourselves before signing a contract. Finally, a baby picture saleswoman describes sales methods and some of her psychological tricks. The film closes as the door opens and the baby picture saleswoman begins to "pitch" the viewing audience.

IF IT DOESN'T WORK...COMPLAIN (15 minutes) - Journal, 1975 FILM GUIDE #16

Everybody's bound to get stuck with a lemon once in a while. You might just as well grin and kiss your money goodbye. Right? Wrong! The film highlights the many steps the individual consumer can take to recover the loss from the purchase of an unreliable product or service. From shopping sensibly, to the proper procedure for registering complaints, to the legal avenues available, it points out the specifics to gain satisfaction. When you buy something, and it doesn't work, complain!

KINGDOM OF MOCHA (THE) (26 minutes) - Modern Talking Picture Service, 1976 FILM GUIDE #1

Once upon a time there lived a small tribe of people on a far distant island...so begins the story of the Kingdom of Mocha, an island kingdom so remote it's quite unlike our world. Or is it? Perhaps only at first. All kinds of people live on Mocha -- a simple, peaceful life, trading fish and coconuts and firewood. But then they invent money, and things start happening thick and fast. Mochans develop many of the same economic problems we have. They try to solve them with things like high taxes and price ceilings. But they soon learn that such things don't work well -- that the strength of a competitive enterprise system lies in producing what people need and getting fair earnings in return.

MONEY -- WHAT IT'S WORTH (16 minutes) - FilmFair, 1975 FILM GUIDE #2

In a distant future that has no money, a woman asks the master computer to explain what she has found: a penny of our time. In explaining the coin, the computer must first cover the basics; it defines price, the inconvenience of barter, how money started, and its various forms and necessary characteristics (uniformity, portability, etc.). It then finds it must explain supply and demand, the gold standard, how complexity in dealings led to the use of currency and then checks, intrinsic value, why money must represent real value somewhere and, finally, inflation. As these terms are defined and explained, the computer uses its screen to show animated scenes to illustrate its points. Throughout the film a timeless narrator further develops the concepts introduced.

NEEDS AND WANTS (9 minutes) - FilmFair, 1976 FILM GUIDE #13

In a fast-paced, raucous reproduction of a television game show, Jose and Marcia battle for the big prize. Each contestant describes his/her values, goals and lifestyle which are posted on the "lifestyle board" behind them. They then see a parade of consumer products and must decide if each product represents a real need or merely a want in relation to their stated lifestyle. No right or wrong emphasis is given to values and goals or lifestyles -- and decisions about needs and wants are evaluated only as they relate to a given lifestyle.

OLD RELIABLE BAIT AND SWITCH (THE) (5 minutes) - Pyramid, 1976 FILM GUIDE #10

Teenager Galsworthy Gulley visits Crazy Al's stereo equipment store to purchase the advertised special: a $29.95 tape deck. Saying that the "special" has been sold, Crazy Al sells him another model for a mere $199.95. With the aid of a consumer agency, Galsworthy tears up his contract and makes a down payment on a less costly machine.

SIX BILLION $$$ SELL (15 minutes) - Films, Inc., 1976 FILM GUIDE #11

A lively combination of comedy, animation, and an original pop theme song are used to expose the questionable techniques of TV commercials. The film makes the viewer aware of how advertising can influence attitudes, values, and expectations and helps consumers develop a healthy skepticism about advertising claims. Young people talking about their experiences, along with clips from TV commercials, make this film an enjoyable learning experience.

SIXTY SECOND SPOT (25 minutes) - Pyramid Films, 1974 FILM GUIDE #12

This film follows the production of a TV commercial from the storyboard concept through preproduction planning and casting to the actual filming on location in Yuma, Arizona, where Beau Geste with Gary Cooper was filmed forty years earlier.

THERE IS A LAW AGAINST IT (8 minutes) - FilmFair, 1972 FILM GUIDE #17

Four familiar consumer problems are introduced in this film; garnishment of wages, unauthorized auto repair work, payment demanded for a debt already paid, and a housewife pressured into signing a purchase contract by a door-to-door salesman. The film then dramatizes how new consumer laws in one state (California) protect the consumer in each case. It explains provisions of the laws, responsibilities of the businesses involved, and the steps the consumer should take. The film ends by emphasizing that it is up to the consumer to take advantage of these laws and that no law can protect the consumer from himself.

THIS IS FRAUD (8 minutes) - FilmFair, 1972 FILM GUIDE #18

A car advertised on TV has "just been sold" and the customer is steered to more costly buys -- the old "bait and switch" technique. A door-to-door vacuum cleaner salesman discreetly spills additional dirt on the floor to make his machine seem better. A woman reminds a contractor that he said his stucco job would last "as long as the house" -- he says there is nothing like that in the contract she signed. The methods of recourse for such common consumer fraud cases are described -- e.g. trade association offices, small claims court, licensing bureau, district attorney's office, legal aid society, etc. Using three of the cases dramatized, the film underscores how certain danger signals in each case could have helped stop the fraud before it happened.

WHY DO WE BUY? (10 minutes) - Journal, 1971 FILM GUIDE #7

Meet Frank Frontlash and Mildred Maximum; they buy things. Frank and Mildred are modern consumers. In addition to their basic material needs--food, clothing, shelter, they also have some important psychic needs which they try to satisfy with the things they buy. Frank buys 442 horse-power worth of status, and Mildred buys love in a tube of toothpaste. The film, through this fictionalized and comical approach, focuses in on the emotional elements which enter into the buying decision and shows how advertising utilizes the emotional appeals to sway our purchase decisions.

WORLD WITHOUT MONEY (14 minutes) - Disney, 1970 FILM GUIDE #3

The history of money as a means of exchange is traced from the use of sea shells and stones through coins, currency, and bank checks, to the ubiquitous credit card. The film outlines constructive consumer patterns and acquaints students with the economic concepts underlying the institution of credit cards.

INSTRUCTIONAL AIDS

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Baffled, Bothered, Bewildered

CHOOSE THE BEST ANSWER FOR EACH STATEMENT OR QUESTION.

1. Bait and switch means to
   A. pay for the privilege of using an item before the item is paid for.
   B. lure customers with an advertised item and then try to sell them a similar, more costly item.
   C. shop for the best value by comparing different models and makes of the same item in several stores.
   D. convince someone to withdraw all of their savings from a bank for safekeeping and later give them worthless paper in return.

2. The name of the economic system used in the United States is
   A. democracy.
   B. supply and demand.
   C. independence.
   D. free enterprise.

3. In a free enterprise system
   A. sellers compete for buyers' dollars.
   B. consumers have no control over what is available.
   C. all items are sold at fixed prices.
   D. quantities are always limited.

4. Mr. Grimes, like the other farmers in his region, was told by the state to grow corn this year and to sell it at a certain price. This fall Mr. Grimes must prepare for next year's crops. He has been told to plant wheat and oats.

   The economic system described above can be best described as one of
   A. government control.
   B. free enterprise.
   C. supply and demand.
   D. market economy.

5. When an item is sold, the profits are NOT used to
   A. buy new materials and products.
   B. pay the seller and his employees.
   C. expand the business.
   D. pay inventory taxes.

6. A money economy is one in which
   A. cash is used to pay for everything.
   B. purchases are made with money.
   C. paper money is always backed by gold.
   D. paper money is always backed by silver.

7. The best description of the law of supply and demand is:
   A. The consumer supplies the money, and business demands it for an item.
   B. Business demands that consumers buy an item, and business supplies it.
   C. The consumer demands an item, and business supplies it.
   D. The consumer demands an item, and supplies the money demanded by business.

8. The great gospel singer Pelvis Pretzel has announced that a special record of his greatest, previously unrecorded, hits will be released in limited quantities. Millions of people flock to record stores nationwide to buy a copy. If Pretzel records normally sell for $4.98 - $5.98, what will probably be the price of this latest record?
   A. $2.98
   B. $5.49
   C. $7.98
   D. $3.98

9. The price and supply of an item for sale in the United States is usually determined by
   A. the consumer.
   B. the government.
   C. business.
   D. production.

10. The economic system of the United States can be characterized by which of the following terms?
   A. Supply and demand
   B. Money economy
   C. Free enterprise
   D. All of the above

11. A consumer votes in the marketplace by
    A. spending more money than another consumer.
    B. choosing one item over another.
    C. trying to keep up with the neighbors.
    D. having money to spend.

12. Which of the following has the most influence upon what is produced in this country?
    A. Labor
    B. Business money
    C. Consumer demand
    D. Government

13. Which of the following are sources of information for comparison shopping?
    A. Advertisements
    B. Better Business Bureaus
    C. Labels and warranties
    D. All of the above

14. In order to get the best bargain when comparison shopping, it is wise to compare
    A. sizes of stores, sizes of items, store brands and brand names.
    B. sizes of the items, store services, store policies, and friendliness of the cashier.
    C. store brands and name brands, store services, sizes of items and store policies.
    D. all of the above.

15. Joe Kool bought a bright red shirt from Tony's Toggery and wore it home from the store, whereupon Joe played basketball in his driveway with his friends. Later, tired and perspiring heavily, Joe removed his new, red shirt only to find his undershirt had started to turn red. Joe probably could have avoided this situation by
    A. not buying and using a cheap deodorant.
    B. reading and heeding the care label in the shirt.
    C. buying a more expensive shirt.
    D. buying the shirt in a larger size.

16. When deciding where to make a purchase, the consumer should compare
    A. costs, store services and store size.
    B. store policies and services.
    C. costs, store services and policies.
    D. store size, services and policies.

17. Leftovers or old, hard-to-sell items would probably NOT be on sale at
    A. an end-of-season sale.
    B. a white elephant sale.
    C. a seasonal sale.
    D. a pre-inventory sale.

18. The consumer can avoid impulse buying by
    A. making and keeping a list of things to buy.
    B. knowing what is needed and how much money is available to spend on it.
    C. not buying things that don't have a use.
    D. doing all of the above.

19. In the spring Happ purchased a coat on sale at a considerable savings. What type of sale was this?
    A. Seasonal
    B. Special
    C. End-of-season
    D. Inventory

20. When shopping for credit, the consumer should consider
    A. the downpayment and the size of the payments.
    B. security and insurance.
    C. prepayment, missed payment and default policies.
    D. all of the above.

21. When a clothing salesman says, "This suit was made by Jimmy Carter's tailor," he is trying to sell the suit by
    A. using snob appeal.
    B. appealing to your better instincts.
    C. appealing to your competitive instincts.
    D. all of the above.

22. Which of the following is usually NOT a sales trick or gimmick?
    A. Coupons
    B. Trading stamps
    C. Sales
    D. Bait and switch tactics

23. Which statement is not a characteristic of budgeting?
    A. Increases spendable income
    B. Determines how much money there is to spend
    C. Plan for saving
    D. Compares estimates with actual spending

24. Delivery, communication failures, deceptions and fraud are examples of consumer
    A. buying practices.
    B. responsibilities.
    C. problems.
    D. recourse.

25. A consumer purchases a refrigerator with an ice maker which is delivered, but not installed. The buyer thought the seller was responsible for installation, but the seller expected the buyer to make separate arrangements.

    This is an example of a consumer problem caused by
    A. delivery failure.
    B. performance failure.
    C. communication failure.
    D. fraud.

26. A consumer can avoid problems by exercising responsibility through
    A. purchasing from established, reputable dealers.
    B. purchasing from new stores offering reduced prices.
    C. purchasing from friends.
    D. avoiding comparison shopping.

6

NAME _____

CLASS _____

DATE _____

Baffled, Bothered, Bewildered

1	Ⓐ ● Ⓒ Ⓓ	14	Ⓐ ● Ⓒ Ⓓ
2	Ⓐ ● Ⓒ Ⓓ	15	Ⓐ ● Ⓒ Ⓓ
3	Ⓐ ● Ⓒ Ⓓ	16	Ⓐ ● Ⓒ Ⓓ
4	Ⓐ ● Ⓒ Ⓓ	17	Ⓐ ● Ⓒ Ⓓ
5	Ⓐ ● Ⓒ Ⓓ	18	Ⓐ ● Ⓒ Ⓓ
6	Ⓐ ● Ⓒ Ⓓ	19	Ⓐ ● Ⓒ Ⓓ
7	Ⓐ ● Ⓒ Ⓓ	20	Ⓐ ● Ⓒ Ⓓ
8	Ⓐ ● Ⓒ Ⓓ	21	Ⓐ ● Ⓒ Ⓓ
9	Ⓐ ● Ⓒ Ⓓ	22	Ⓐ ● Ⓒ Ⓓ
10	Ⓐ ● Ⓒ Ⓓ	23	Ⓐ ● Ⓒ Ⓓ
11	Ⓐ ● Ⓒ Ⓓ	24	Ⓐ ● Ⓒ Ⓓ
12	Ⓐ ● Ⓒ Ⓓ	25	Ⓐ ● Ⓒ Ⓓ
13	Ⓐ ● Ⓒ Ⓓ	26	Ⓐ ● Ⓒ Ⓓ

Consumer Complaints

How can complaints be handled to the consumer's best interests? What can the consumer do when a product proves less than satisfactory?

Most of us have experienced difficulties with items at some time and often learn too late the "Don'ts" of complaining. List common consumer complaints and use the BASIC RULES OF COMPLAINING outlined below to discuss the best methods for handling such complaints.

STEPS FOR REGISTERING A COMPLAINT

1. Pursue your complaint as soon as possible while it's still fresh in your mind.
2. Explain the problem clearly and without hesitation.
3. Be courteous, yet firm in your approach.
4. Be in control of your emotions.
5. Have all your supporting documents in appropriate order.
6. Listen carefully to what you are offered to settle your complaint. Does it sound acceptable?
7. Be willing to compromise when it is in order. Compromise is more appropriate when you are partially at fault, or when you will get nothing without compromising.
8. When you register a complaint, if possible first talk to the clerk you dealt with.
9. If the clerk cannot help you, complain to the manager.
10. If the manager can't help you, go to the next level of authority -- all the way up the line until you get satisfaction.
11. Always be persistent even if your initial efforts have been rebuffed. You must remember that you are probably prepared to give your own problem more attention than others who eventually might handle your case.
12. Wait a reasonable amount of time for your complaint to be settled.

Baffled, Bothered, Bewildered Words

1. Review the meanings of the following *Passwords* you have studied in *BAFFLED, BOTHERED, BEWILDERED:*

APR	CONTRACT	INTEREST
BAIT AND SWITCH	CREDIT	RECOURSE
BETTER BUSINESS BUREAU	DEMAND	REPUTABLE
BUDGET	DOWNPAYMENT	RESPONSIBILITIES
COMPARISON SHOPPING	ECONOMY	RIGHTS
COMPETITION	FREE ENTERPRISE	SECURITY
CONSCIENTIOUS	IMPULSE BUYING	SERVICE
CONSUMER	INCOME	SUPPLY

2. Write the word from the list that matches each description:

_____ A plan for spending your money

_____ Paying for the privilege of using an item before it is paid for

_____ _ _ _ _ payment: the part of the full price paid at the time of purchase or delivery

_____ The amount purchasers are willing to buy at a specified price

_____ Annual Percentage Rate

_____ The amount available for sale or the amount sellers are willing to sell at a specific price

_____ Work done or duty performed for another or others

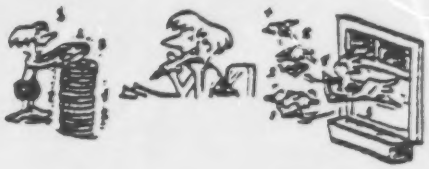
_____ The amount paid for the use of borrowed money

_____ Money received on a regular basis

_____ A legal agreement between two parties in which one agrees to give something in return for receiving something else

_____ A person who uses goods or services

_____ Better Business Bureau



Baffled, Bothered, Bewildered

NOW THAT YOU HAVE COMPLETED THE ACTIVITIES IN THE BASIC ECONOMICS SKILLS PAL, YOU SHOULD BE ABLE TO:

1. Recognize the definitions of the passwords used in this PAL.
2. Name the economic system operating in the United States.
3. Compare and recognize free enterprise and government-controlled economic systems.
4. Know how business profits are used.
5. Describe a money economy.
6. Name the suppliers and demanders in the law of supply and demand, and explain how the law works.
7. Describe the effect of excess supply or demand on prices.
8. Name what determines price and supply.
9. Describe how consumers vote in the marketplace.
10. Identify sources of information for comparison shopping.
11. Name good comparison shopping practices.
12. Know what to consider when deciding from what store to make a major purchase.
13. Describe different kinds of sales.
14. Know how to avoid being an impulse buyer.
15. Know how to use sales to your advantage.
16. Identify the best of several buys.
17. Know how to shop for credit.
18. Recognize pressure-selling techniques.
19. Recognize sales gimmicks.
20. Name the advantages of budgets and how they can fail.
21. Recognize types of failures causing consumer problems.
22. Know how to seek recourse for consumer problems.

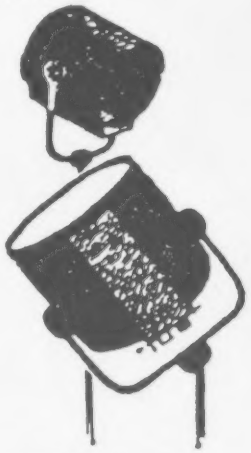
3. Locate the twelve words you have written as they appear in the Word Search Puzzle below.
   Shade the areas you have circled.
   Your circled and shaded words will "spell" a definition for *Baffled, Bothered, and Bewildered.*

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
XRIGHTSXXXXXXXXXXXXXCOMPETITIONXXXEXXXXXXXXXXXXXXXXXXXXXXXXXXCX
XEXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXCXXCONSCIENTIOUSXXXXXXXXXXXOX
XSXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXOXXXXXXXXXXXXXXXXXXXXXXXXXXMX
XPXXXXXXBXXXXXCXXXXDOWNXXXXYXXXXXXNXXXXINTERESTXXXXXXCXXXXXXXPX
XOXXXXXXUXXXXXRXXXXEXXXXXXXLXXXXXXOXXXXNXXXXXXOXXXXXXOXXXXXXXAX
XNXXXXXXD[redacted]EXXXXMXXXXXXXPXXXXXXMXXXXCONTRACTXXXXXXNXXXXXXXRX
XSXXXXXXGXXXXXDXXXXAPRXXXXXPXXXXXXYXXXXOXXXXXXXXXXXXXSXXXXXXXIX
XIXXXXXXEXXXXXIXXXXNXXXXXXXUXXXXXXXXXXXXMXXXXRECOURSEXUXXXXXXXSX
XBXXXXXXTXXXXXTXXXXD[redacted]XXXXSERVICEXXXXREPUTABLEXXXXXXMXXXXXXXOX
XIXXXXXXXXXXXXXXXXXXX

film guide: THE KINGDOM OF MOCHA

Once upon a time there lived a small tribe of people on a far distant island...so begins the story of the Kingdom of Mocha, an island kingdom so remote it's quite unlike our world. Or is it? Perhaps only at first. All kinds of people live on Mocha--a simple, peaceful life, trading fish, coconuts and firewood. But then they invent money, and things start happening thick and fast. Mochans develop many of the same economic problems we have. They try to solve them with things like high taxes and price ceilings. But they soon learn that such things don't work well--that the strength of a competitive enterprise system lies in producing what people need and getting fair earnings in return.

As you watch this film, or when it is completed, answer the following questions:



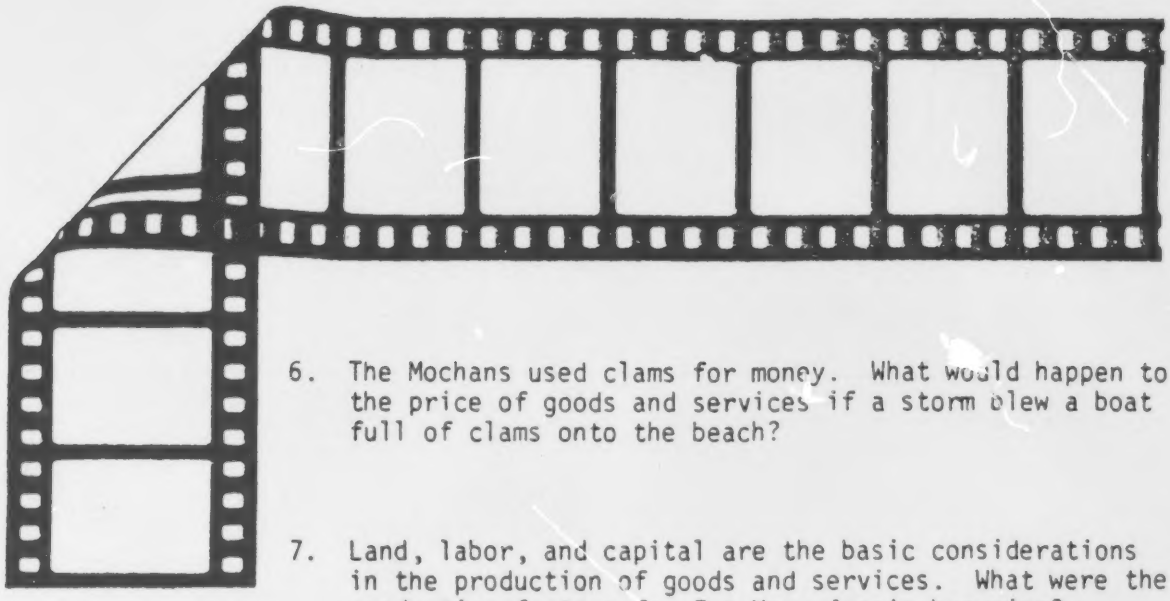
1. What is the barter system?

2. Why did the Mochans stop using the barter system?

3. In what ways did the Mochans show that wants are unlimited?

4. Why did some Mochans specialize in different tasks?

5. In Mocha the money system was based on the clam because of Big Daddy's declaration. What is the basis of our money system in the United States?



6. The Mochans used clams for money. What would happen to the price of goods and services if a storm blew a boat full of clams onto the beach?

7. Land, labor, and capital are the basic considerations in the production of goods and services. What were the production factors for Fat Mary Jane's brownies?

8. Pablo said that profit is a stimulus to further production. If Pablo is making a profit on the wood he sells, how might he use his profit?

9. How did Pablo expand his business? Can you think of any other ways Pablo might have tried?

10. One of your resources is your labor. What is labor worth in your community? How is this worth established?

11. What problems were caused by the fact that the Mochan's cars used trees for fuel?

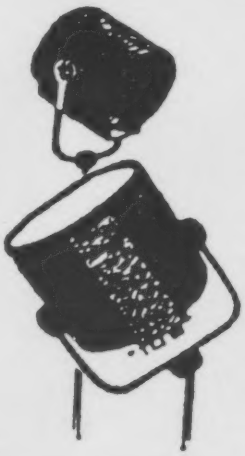
12. The demand for wood increased because of Old Lucy's memoirs and later because of Cousin Henry's Model T. If you had to make a decision about whether to print Old Lucy's book or save the woods, what would your decision be?

film guide: MONEY -- WHAT IT'S WORTH

In a distant future that has no money, a woman asks the master computer to explain what she has found: a penny of our time. Notice how the computer explains many important economic concepts.

As you watch this film, or when it is completed, answer the following questions:

1. Give another example of a way in which barter can become inconvenient. (Do not use the example given in the film.)

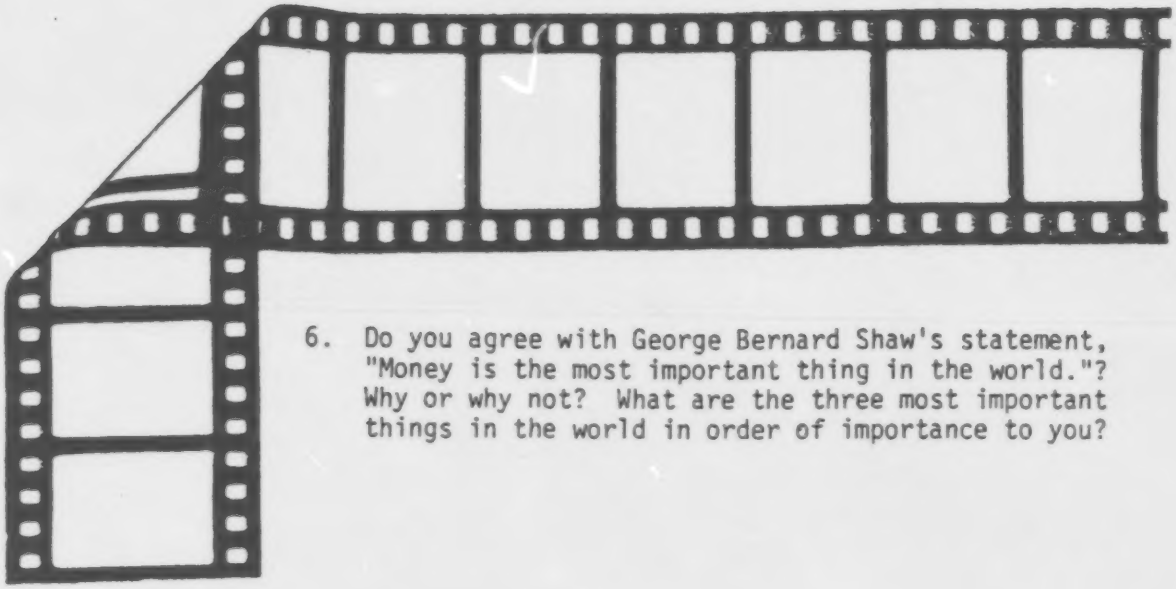


2. Name four qualifications a form of money must meet. Did early forms of money meet all these qualifications? Explain.

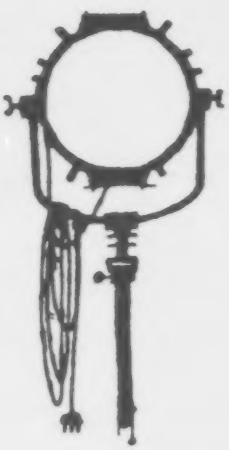
3. Why was gold so highly priced as a form of money?

4. Why did paper currency come into use?

5. Why does a form of money that does not represent something of real value lead to inflation? Why can't we just print as much money as we want?



6. Do you agree with George Bernard Shaw's statement, "Money is the most important thing in the world."? Why or why not? What are the three most important things in the world in order of importance to you?



7. How does money, or the lack or money, make you feel about other people? About yourself?

8. Does money help families to feel secure about their future?

film guide:

WORLD WITHOUT MONEY

This film traces the history of money as a means of exchange from the use of stones and sea shells to coins, paper money, bank checks, and credit cards.

As you watch this film, or when it is completed, answer the following questions:

1. In you own words, explain the history of money and why we now use checks and credit cards.

2. Explain the relationship between the credit card company, the businessman, and the owner of a credit card.

3. If your credit cards are stolen, what action should you take?

film guide:

CONSUMER GAME

This film portrays consumers and sellers as in a kind of game and presents basic information and tactics consumers can use to win it -- to get their money's worth.

As you watch the film, or when it is completed, answer the following questions:

1. Name four advertisements that you have seen on TV or in newspapers or magazines that appeal to your emotions. Describe each advertisement. Analyze each ad for logic and truth.

   (1)

   (2)

   (3)

   (4)

2. Discuss personal experiences of "setbacks" in your consumer game. What knowledge could have helped you in each case? Also, give any personal knowledge of legal, but "shadowy," tactics to induce customers to buy.

film guide:

ADVERTISING: INFORMATION, PERSUASION OR DECEPTION

This film describes the various types of advertising that consumers encounter everyday. Notice the distinctions between informational and deceptive advertising.

As you watch the film, or when it is completed, answer the following questions:

1. What is the purpose of "loss leader" advertising?

2. Do you feel that advertising has any effect on your purchase decisions? Do you feel it affects the buying habits of your friends? How?

3. Is it true or false to say, "Most advertising lies"? Explain.

4. Which national advertising campaigns do you like? Why? Do you use the products?

5. Which national advertising campaigns turn you off? Why? Do you use the products anyway? Why?

film guide: BUYING WITH A TWISTED ARM

In this film, we view four vignettes where the buyer appears trapped into making a purchase by an emergency, by pressure, by emotions, and by the flattery of the salesperson.

As you watch the film, or when it is completed, answer the following questions:

1. Were the people really trapped into making a purchase or would some preparation have allowed them to make a rational decision? If so, what?

2. How could the people have avoided feeling "trapped" in these situations?

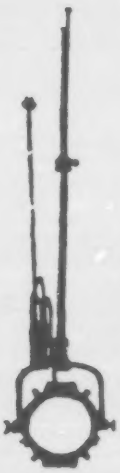
3. What would you have done in each of these situations?

4. Can you think of other situations that are similar to the cases shown in the film?

5. Who is responsible for your decision to purchase things?

film guide: WHY DO WE BUY?

Mildred Maximum and Frank Frontlash buy things. In addition to basic needs--food, clothing, shelter--they have important psychic needs which they try to satisfy with the things they buy. Notice the emotional elements that enter into a buying decision and how advertising utilizes emotional appeals to sway buying decisions.



As you watch the film, or when it is completed, answer the following questions:

1. Why are emotional influences important considerations when making a purchase decision?

2. Is there any similarity between Frank's decision to buy the encyclopedia set and his choice of cars?

3. Have you ever failed to return an unsatisfactory item because of embarrassment?

4. Can a seller create the need for a product?

5. Circle the following considerations that are important to you:

   Group acceptance Fear and/or security Love

   Pride and/or status Practicality

film guide:

THE BUY LINE

This film illustrates how advertisers sometimes use fantasy appeals to power, sexuality, popularity, and status to get the consumer to buy the product. Watch for guidelines on how to judge ads and their products.

As you watch this film, or when it is completed, answer the following questions:

1. Give examples of ads from the film and your own experiences that appeal to sex, fear, power, etc.

2. Name some advertising tricks that you have noticed. (Legal information in small print, misleading discounts, etc.)

3. Debate: MOST ADVERTISING IS HONEST.

4. What constitutes an honest advertisement?

5. What should you do if you discover fraudulent advertising?

6. In what ways can TV advertising be harmful to children?

7. Why do advertisers use "phony" techniques to persuade people to buy things?

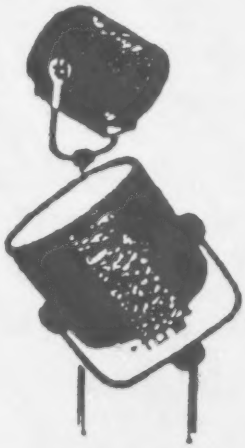
film guide:

Foot in the Door

In a dramatized situation taken from an actual case, a woman aware of the techniques used by "phony" salespeople takes action that leads to the salesperson's arrest.

As you watch this film, or when it is completed, answer the following questions:

1. What is the first thing you want to do when a door-to-door salesperson arrives at your home?



2. Describe the method used by the baby picture saleswoman. Do you know any other methods sometimes used by door-to-door salespeople?

3. What are good ways to get rid of unwanted door-to-door salespeople?

4. The woman in the film was resourceful in finding a way to call the police. What ways can you think of that would give you freedom to call in different situations?

film guide: THE OLD RELIABLE BAIT AND SWITCH

Galsworthy Gulley is attracted by an ad that looks "unbelieveable," but at the store the salesman "switches" Galsworthy to a "better buy." Watch as "all ends well" when Galsworthy deals with a respectable businessman.

As you watch the film, or when it is completed, answer the following questions:

1. Define "bait and switch."

2. What are the differences in the two salesmen's techniques?

3. Name some other situations where "bait and switch" could be used by an unethical salesperson.

film guide:

SIX BILLION $$$ SELL

This film uses a lively combination of comedy, animation, and an original pop theme song to expose the questionable techniques of TV commercials. Notice how advertising can influence attitudes, values, and expectations.

As you watch this film, or when it is completed, answer the following questions:

1. Name a television commercial belonging in each of the following categories:

   (a) "Selling the Star"

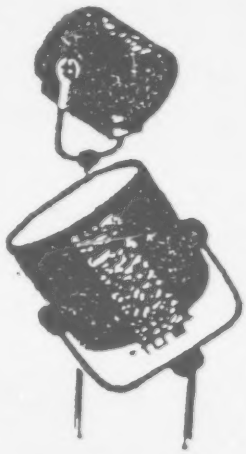
   (b) "Word Games"

   (c) "Now You See It--Now You Don't"

   (d) "The Giveaway"

   (e) "Promises"

   (f) "Brand Loyalty"



2. Do radio, newspaper, and magazine ads use the same techniques to persuade you to use a certain product? Give examples to support your answer.

3. What type of advertising do you feel is most effective on ycu? Why do you think this is true?

film guide: 60 Second Spot

This film follows the production of a TV commercial from the storyboard concept through preproduction planning and casting to the actual filming.

As you watch the film, or when it is completed, answer the following questions:

1. What is a storyboard?

2. What product was sold on this commercial?

3. How was the commercial a "take-off on all the old desert movies ever made"?

With your class, discuss:

4. Why do advertisers spend so much money on commercials?
   ($30,000 - $100,000 to produce a 1-minute commercial; $40,000 - $70,000 for 1-minute of prime time advertising)

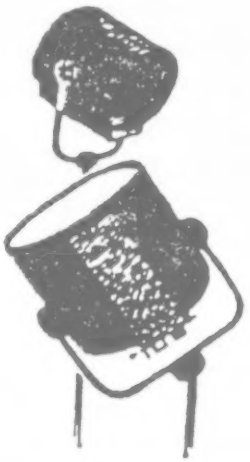
5. Should you buy a product simply because the manufacturer has entertained you? Do people realize this is the reason they do buy some products? Have you ever watched a commercial without realizing it was a commercial until it was almost over?

6. Some commercials "sell" with a "freedom of choice" theme. However, their products are associated with the light, the good, independent thinking, etc. Name some commercials using this approach.

film guide: NEEDS & WANTS

In a fast-paced, raucous reproduction of a television game show, Jose and Marcia battle for the big prize. Each contestant describes his/her values, goals and lifestyle which are posted on the "lifestyle board" behind them. They then see a parade of consumer products and must decide if each product represents a real need or merely a want in relation to their stated lifestyle. Do you agree with their decisions?

As you watch this film, or when it is completed, answer the following questions:



1. According to the film, how are needs and wants defined?

2. How would you describe Marcia's lifestyle, values, and goals? Give examples of other products that would represent real needs and wants for her.

3. Apply Question #2 to Jose.

4. List your lifestyle factors. In separate columns, list at least five needs and five wants. Be prepared to defend your decision before the class.

film guide: CONSUMER COMPLAINTS: THE RIGHT WAY

Man has always needed to rely on others for products and services. What, then, can you do when products and services are not what they should be? This film demonstrates how to get effective results when you are faced with such situations.

As you watch the film, or when it is completed, answer the following questions:

1. Describe the proper procedure to take if you buy a record or tape that is defective.

2. Complaining about items that are too large to return to the store requires a different procedure. How would you handle the situation if your air conditioner quit working after only two months use?

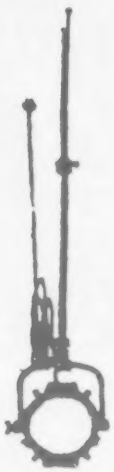
3. Have you ever purchased products that were defective in some way? How did you handle the situation?

4. Why does it help you to always be courteous, but firm, when trying to get your problem remedied?

film guide:
THE CONSUMER OFFENSIVE

This is an ABC news presentation showing that consumers are discovering how to get better products for less money, protect the environment, and improve the quality of life.

As you watch the film, or when it is completed, answer the following questions:



1. Why have consumers had to go on the "offensive"?

2. Why does it take an organization of consumers to "get things done" on a local, state, and national level?

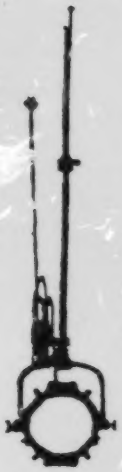
3. What consumer groups, if any, are active in your community?

4. Write a letter to a local or state consumer agency to find out what they do and how you might help.

film guide:

IF IT DOESN'T WORK ... COMPLAIN

Everybody's bound to get stuck with a lemon once in a while. You might just as well grin and kiss your money goodbye. Right? WRONG! This film highlights many steps the individual consumer can take to recover the loss from an unreliable product or service.



As you watch the film, or when it is completed, answer the following questions:

1. Do you agree that sensible shopping will reduce the risk of buying a defective product or service? Give examples to support your viewpoint.

2. Have you ever failed to return an unsatisfactory purchase? Why or why not?

3. Do you believe that by handling consumer problems in a firm, but nice, way that your complaint will bring about the results you want? Why or why not?

4. What steps are necessary to bring legal action in the Small Claims Court?

film guide: *There Is a Law Against It*

This film introduces four consumer problems and then dramatizes how new consumer laws in one state (California) protect the consumer in each case. Notice the provisions of the laws, the responsibilities of the businesses involved, and the steps the consumer should take. The film ends by emphasizing that it is up to the consumer to take advantage of these laws. No law can protect the consumer from himself.

As you watch this film, or when it is completed, answer the following questions:

1. Why is it important to request a written estimate of the work to be done on your automobile?

2. Is it legal for an auto repair shop to charge you for work without telling you in advance?

3. Why did California change its wage garnishment laws?

4. Why did California pass a law allowing the consumer a three-day period to cancel a sales contract?

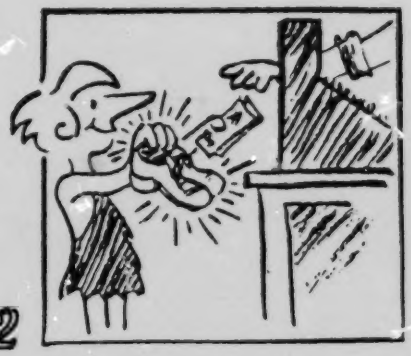
5. What is the purpose of Small Claims courts? Why are lawyers not allowed?

EVERYONE

IS A CONSUMER

Free Enterprise

1 Seller manufactures products or offers service



2 Customer compares products, chooses product based on needs and desires as a consumer

3 Profits from sale used to buy materials for new products and for support of seller and employees

4 Additional profits used to expand business and improve product

ECONOMIC QUESTIONS

What?

How?

How much?

For whom?

Transparency Master #3
Basic Economic Skills

MONEY

Workers earn it,
Spendthrifts burn it,
Bankers lend it,
Women spend it,
Forgers fake it,
Taxes take it,
Dying leave it,
Heirs receive it,
Thrifty save it,
Misers crave it,
Robbers seize it,
Rich increase it,
Gamblers lose it,
I could use it.

Richard Armour

Transparency Master #4
Basic Economic Skills

SUPPLY AND DEMAND

CONSUMER EXPRESSES HIS DESIRES OR DEMANDS

BUSINESS LISTENS TO DEMANDS

BUSINESS ATTEMPTS TO SUPPLY PRODUCT BASED ON BUYERS DEMANDS.

DECISIONS, DECISIONS

what ?

where ?

when ?

how ?

ADVERTISING - - -

Here, there, everywhere!

COMPARISON SHOPPERS EVALUATE :

- Price
- Quality
- Service

CHECK PRODUCT WARRANTIES:

What parts are guaranteed?

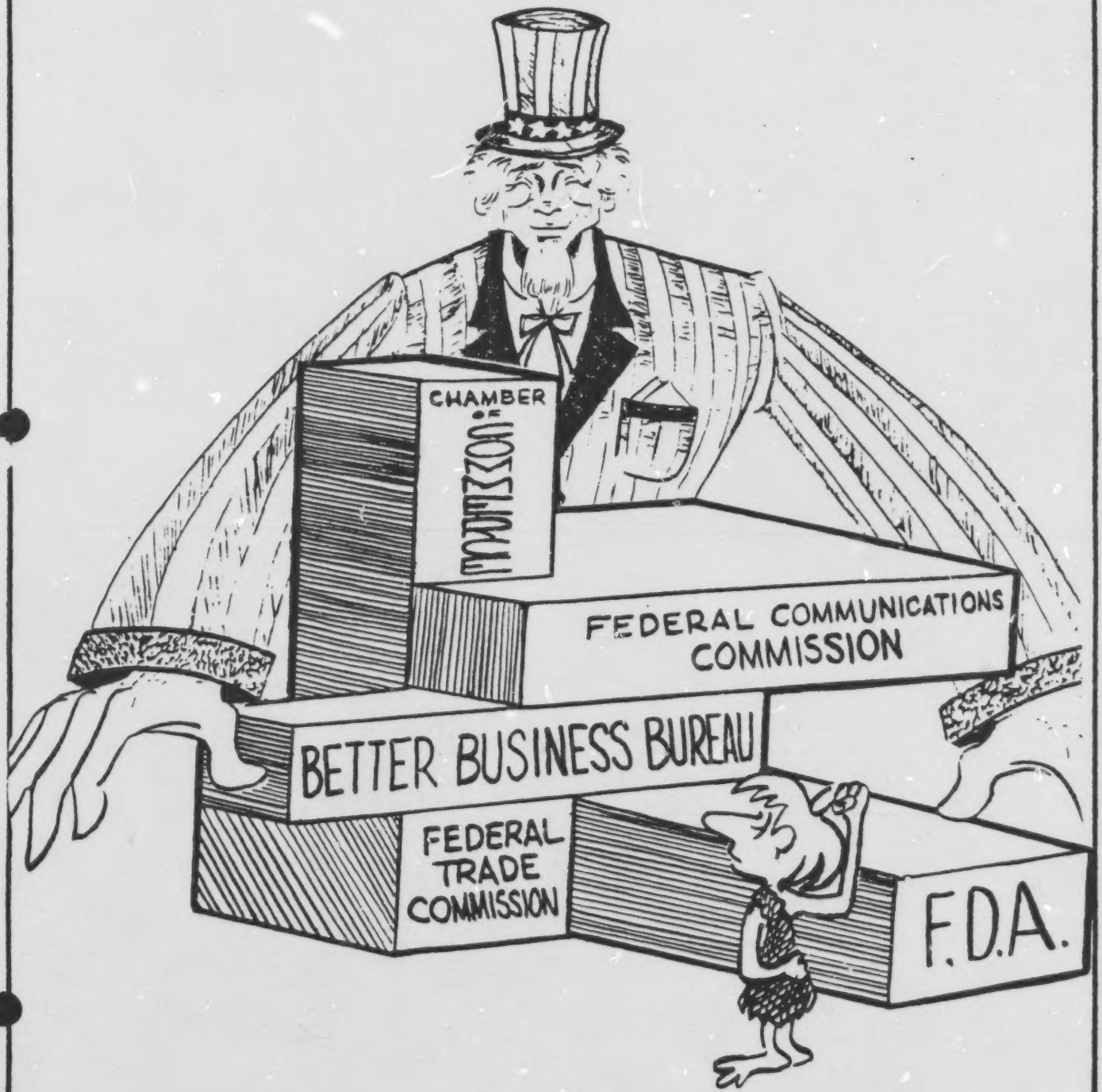
For how long?

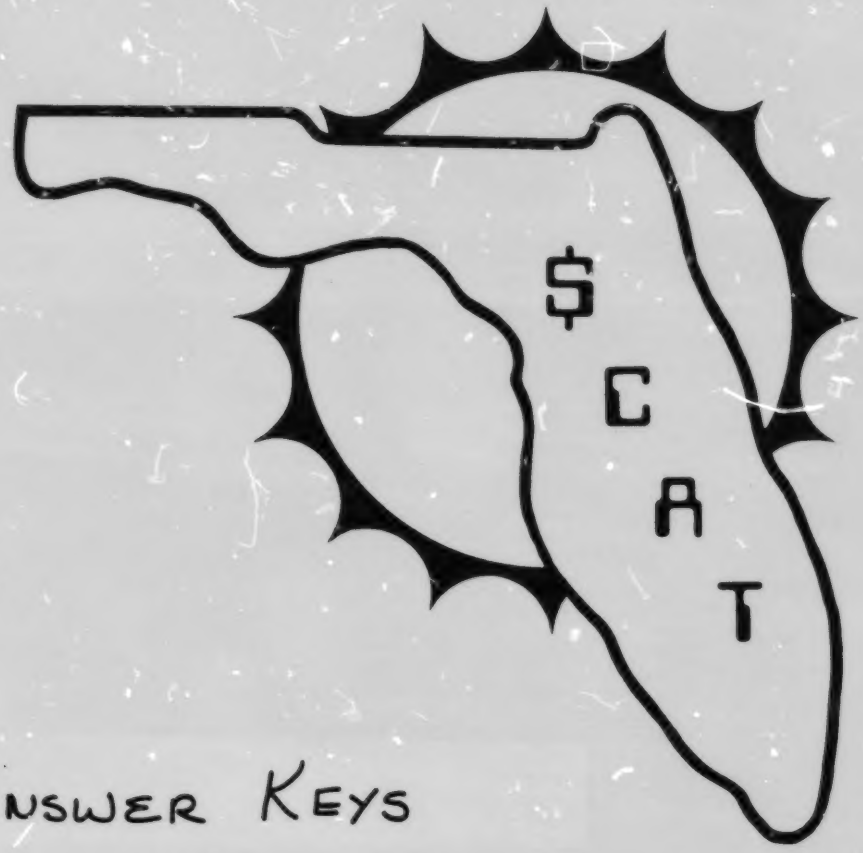
Who stands behind the guarantee?

Where must the product be taken if defective?

Consumer costs ?

Consumers ARE Protected:





Answer Keys

CLASSROOM TEACHERS ARE AUTHORIZED TO
REPRODUCE THIS ORIGINAL COPY FOR USE
IN THEIR CLASSROOMS.

NAME _____

CLASS _____

DATE _____

Baffled, Bothered, Bewildered

1 Ⓐ ● Ⓒ Ⓓ
2 Ⓐ Ⓑ Ⓒ ●
3 ● Ⓑ Ⓒ Ⓓ
4 ● Ⓑ Ⓒ Ⓓ
5 Ⓐ Ⓑ Ⓒ ●
6 Ⓐ ● Ⓒ Ⓓ
7 Ⓐ Ⓑ ● Ⓓ
8 Ⓐ Ⓑ ● Ⓓ
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Baffled, Bothered, Bewildered Words

1. Review the meanings of the following *Passwords* you have studied in *BAFFLED, BOTHERED, BEWILDERED:*

APR	CONTRACT	INTEREST
BAIT AND SWITCH	CREDIT	RECOURSE
BETTER BUSINESS BUREAU	DEMAND	REPUTABLE
BUDGET	DOWNPAYMENT	RESPONSIBILITIES
COMPARISON SHOPPING	ECONOMY	RIGHTS
COMPETITION	FREE ENTERPRISE	SECURITY
CONSCIENTIOUS	IMPULSE BUYING	SERVICE
CONSUMER	INCOME	SUPPLY

2. Write the word from the list that matches each description:

BUDGET	A plan for spending your money
CREDIT	Paying for the privilege of using an item before it is paid for
DOWN	_ _ _ _ payment: the part of the full price paid at the time of purchase or delivery
DEMAND	The amount purchasers are willing to buy at a specified price
APR	Annual Percentage Rate
SUPPLY	The amount available for sale or the amount sellers are willing to sell at a specific price
SERVICE	Work done or duty performed for another or others
INTEREST	The amount paid for the use of borrowed money
INCOME	Money received on a regular basis
CONTRACT	A legal agreement between two parties in which one agrees to give something in return for receiving something else
CONSUMER	A person who uses goods or services
BBB	Better Business Bureau

3. Locate the twelve words you have written as they appear in the Word Search Puzzle below.
Shade the areas you have circled.
Your circled and shaded words will "spell" a definition for *Baffled, Bothered, and Bewildered.*

XXXX

What's My Role?

TRUE	FALSE		
X		1.	Consumers "vote" in the marketplace when they select one brand from many that are offered for sale.
	X	2.	Competition is not allowed in a free enterprise system.
X		3.	A free enterprise economic system offers the private individual a wide range of choices in goods and services.
X		4.	If there are more skateboards manufactured than there are people who wish to buy them, we can say the supply outweighs the demand.
	X	5.	For the most part, the consumer has no influence on what is produced in the United States.

Discuss the following statement:

The purpose of our economy is to produce goods and services, large in quantity, high in quality, and reasonable in price for maximum satisfaction in consumer use.
This purpose is best met in a free enterprise system.

ANSWERS WILL VARY

Name 3 ways in which consumers benefit from competition among businesses.

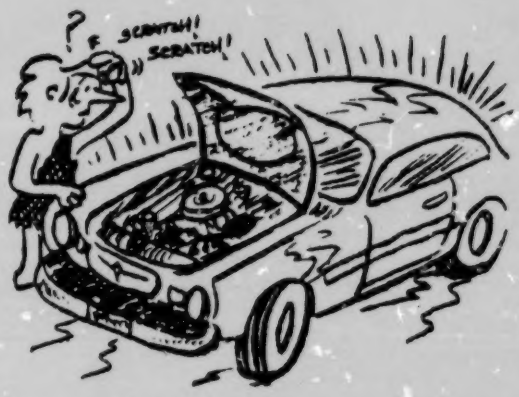
ANSWERS WILL VARY

How might competition work to the disadvantage of consumers?

ANSWERS WILL VARY

As a modern American consumer, there are at least 5 basic questions to answer about the purchases you wish to make:

WHY ?
WHAT ?
WHERE ?
WHEN ?
HOW ?



Each of these questions needs to be considered carefully when making purchases. These points are especially important when those purchases are major ones.

Too many of today's consumers tend to buy on the spur of the moment. They believe all the salesman promises. They want something for as little as possible. CONSCIENTIOUS CONSUMERS answer all five of these questions *before* making purchases.

why?

The FIRST major question a consumer has to ask is WHY? -- Why do I want to purchase this item or that item? Think about some of the items which you purchased last week. WHY did you purchase them?

ITEMS PURCHASED	***REASONS PURCHASED***
1. _____	a. _____
	b. _____
ANSWERS WILL VARY	c. _____
2. _____	a. _____
	b. _____
	c. _____

Think about the reasons you purchased these items. Were your reasons GOOD reasons? What is a <u>good reason</u>? Are there "bad reasons" for purchasing things?

ANSWERS WILL VARY

Let's help Carlos Tillis make a decision. Carlos is a fine fellow who loves music. When he lived at home with his parents, Carlos spent hours each evening listening to music while he wrote poetry, or painted, or worked on his car. Each day he would look forward to the peaceful evening when he could have his music and relaxation after a hard day at school. Now, Carlos is out of school and has just rented his own apartment several miles from his parents' home. He does not have a stereo and is thinking about buying one.

Help Carlos by suggesting:

GOOD REASONS FOR BUYING A STEREO	REASONS FOR NOT BUYING A STEREO
_____	_____
_____	ANSWERS WILL VARY _____
_____	_____

As you were helping Carlos, what things did you think about which would influence Carlos?

What influenced Carlos to want a stereo?

FOUR major factors influence our decisions:

Knowledge (What we have learned from others)

Experience (What we have learned for ourselves)

Values (What is important to us; the basis of our goals)

Feelings (What emotional reactions we have)

Try your hand at identifying influences on your decisions. Redraw the chart on the next page on a sheet of paper. Then, fill out the chart using of of your recent decisions to purchase something (a tube of toothpaste, a bike, a shirt, a record, etc.).

ANSWERS WILL VARY

DECISION				
INFLUENCES	1	2	3	4
	Knowledge	Experience	Values	Feelings
CONSEQUENCES				

Notice that your work with this chart only helps us understand why we make decisions to purchase things. It does not help us make wise purchases. (Carlos still has to decide which brand and model of stereo to buy and where and when to buy it!)

what ?

Whether you are in the market for goods or services, the "What?" question is not an easy one to answer. At first you might think this the easiest of questions to answer. You decide you want something, so you buy it!

The question "what?", next becomes the more specific, "which one?". This is especially true when the consumer faces the great number of almost-the-same articles from which to choose when he makes his purchase. This happens whether the item is a toothbrush, a new pair of jeans, or a repairman to fix the family TV.

COMPARISON SHOPPING can begin long before you make the actual purchase. It can (and should) even begin at home. You can get valuable shopping information from:

* *FRIENDS' ADVICE*
* *CONSUMER MAGAZINES (CONSUMERS' RESEARCH, CONSUMER REPORTS, etc.)*
* *ADVERTISING*

Exercises

Match the item with the type of sale at which you would be most likely to find it.
Place the correct letter from Column B in the blank by Column A.

A		B
C	1. Irregulars Sale	A. A stuffed raccoon
A	2. White Elephant Sale	B. A winter coat in May
E	3. Seasonal Sale	C. A sheet with a slight flaw in the pattern
D	4. Garage Sale	D. A used play pen
B	5. End-of-Season Sale	E. Fresh vine-ripened tomatoes

how ?

Because you are a conscientious consumer in modern America instead of the consumer buying the wagon, you also have considerations and choices to make on <u>how</u> to buy your very own Splendiferous Spring Thing at Honest Harry's Hideout.

You need to consider not only how to pay for your Splendiferous Spring Thing, but also how to shop for it.

One of the biggest threats to the wise consumer is <u>impulse buying</u>--buying on the spur-of-the-moment with little or no thought given to need, usefulness, or even cost. This "want it - buy it" habit can be very expensive and cause regret later. To avoid being an impulse buyer:

Don't buy anything you don't have a use for.

Plan Ahead --know what you need & how much you're willing to spend for it.
Make a list of things needed & stick to it!

Compare these items in credit contracts before you sign:

Downpayment	How much cash can you afford to pay?
Size of payments	Are they all the same? Is the final payment a "balloon payment", & larger than you can pay?
Collateral	Are you required to use your house, car, etc. as security for your loan?
Repayment in Advance	What is the rule for early repayment? Are finance charges refunded? Are there penalties?
Missing a payment	What is the penalty if you are not able to make a payment?
Default	What if you just can't pay--and you have to default? Can you reclaim the item, etc?
Insurance	Are you required to carry credit insurance? If so, can you obtain your own?

Exercises

The 5 questions consumers should answer about their purchases are:

WHY? _____

WHAT? _____

WHERE? _____

WHEN? _____

HOW? _____

TRUE	FALSE		
X		1.	Comparison shopping can begin at home.
X		2.	Checking the size of cans and comparing the amount to the price per ounce is one way of comparison shopping.
X		3.	When you realize you will need to buy or replace an item soon, you should begin checking ads for sales on what you need.
	X	4.	In order to avoid losing out on a good buy, you should purchase the first product you see that you really like.
	X	5.	You can never pre-plan for a sale, because you can never determine when a sale will be.

___	X	6.	If you find a good bargain, buy it, even if you don't need it. You can always find a use for it later.
X	___	7.	You should shop for credit as carefully as you shop for the item you buy.
X	___	8.	APR is one good way to compare the real cost of credit.
___	X	9.	Sales & credit contracts are all basically the same . It is therefore unnecessary to read all the fine print or worry about lines which can be filled in later.
___	X	10.	Careful comparison shopping is only necessary for major purchases.

Remember Carlos Tillis and his decision to buy a stereo? He has set his GOAL: to buy a stereo. But he still has to decide WHICH stereo. There are many models and brands of stereos for him to consider. He has limited money but there are three different stereos at three different stores for him to choose.

Use the DECISION TREE to work out STEP FOUR for Carlos. Use what you know about stereos. What are the consequences, for Carlos, of purchasing the expensive set? The cheap set? The medium-priced set.

Discuss the reasons for your advice to Carlos about which stereo he should buy.

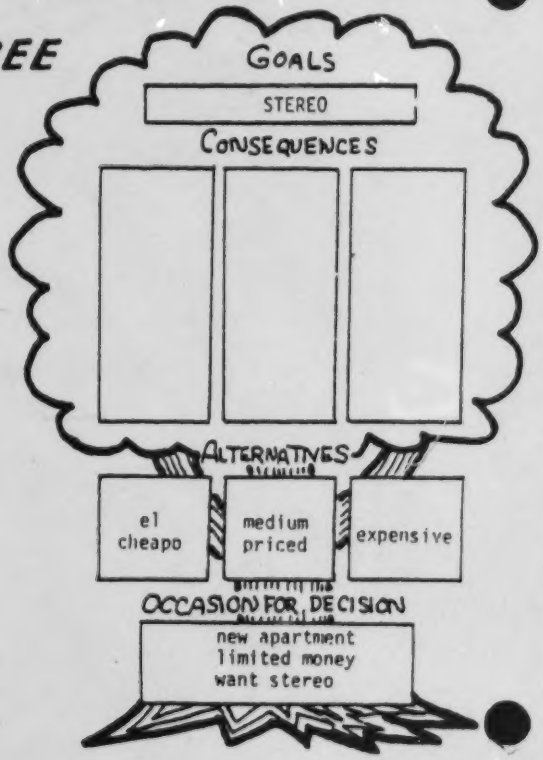
DECISION TREE

STEP ONE
"What do I want?"
(A STEREO SET)

STEP FOUR
"What are the consequences of different alternatives?

STEP THREE
"What alternatives are there?"
(Let's say three alternatives: one super cheap, one very expensive, one medium priced)

STEP TWO
The problem situation in which what to do is not obvious.
(LIMITED MONEY, BUT WANT A STEREO)



* BAIT AND SWITCH — *Advertising a bargain, then trying to sell a more expensive model: "Sure, that's the sale model, but it's nothing compared to this one--let me show you!"*

* SIGN ON THE DOTTED LINE — *Some salesmen will try to talk you into signing a contract to buy a service or merchandise you aren't really sure you want. Don't sign anything unless you are sure you want it and understand all the terms of the agreement (contract) you're signing. NEVER sign anything you don't fully understand or that has any blank areas to be "filled in later."*

Exercises

Match the type of high-pressure selling technique with the appropriate statement.
Place the letter from Column B in the blank by Column A.

A		B	
C	Playing on your sympathy	A.	"There are only three left--they're selling like hotcakes!"
E	Playing on your vanity	B.	"This car was especially designed for the wealthy man who can afford the best."
A	Rushing you	C.	"If I sell just one more subscription, I will win a scholarship."
D	Sign on the dotted line	D.	"Just sign the contract and we'll work out the details later."
B	Snob appeal	E.	"Sir, you look like Robert Redford in that suit!"

There are also lots of little tricks or gimmicks that are used to make the consumer think he's getting a bargain. Don't be caught by:

* PHONY CONTESTS — You "win a prize", but find there are conditions you must meet before you can collect it--such as buying another item

* EASY CREDIT — No credit check required, etc., usually means initial cost and credit charge are higher than usual

* TRADING STAMPS	Cost is passed on to the consumer. Items may cost more. Premiums bought in stamps may "cost" more.
* CON ARTISTS	Here today, gone tomorrow--with your money, if they can get it. Some roadside stands or groups of "Home Repair" gangs who sell merchandise or services cheap leave town before you discover worthless, poor quality of items bought. Goods may even prove stolen.

BEST PROTECTION AGAINST SUCH PROBLEMS?

* Know what YOU really need or want.
* Buy only from established merchants who are known and respected in the community.
* Don't fall for the "something for nothing" idea.
* If in doubt about the reputation of the seller, check his reliability with agencies such as the Better Business Bureau.

Exercises

Your resources are too important to spend carelessly and without planning. See how cautious a consumer you are by completing the following exercises.

TRUE	FALSE	
X		1. One of the best ways to avoid being "taken" is to buy from reputable dealers.
X		2. Easy credit often means higher interest rates.
	X	3. If an ad says "Win a Prize", you can be sure it's phony.
X		4. Trading stamps cost money for the merchants who give them. The cost is passed on to the customer.
X		5. If a deal sounds too good to be true, it probably is.

Decisions, Decisions

Review your "Decisions, Decisions" Passwords section.
Complete the following statements with the correct Password:

1. COMPARISON SHOPPING can begin at home and includes answering the What, Where, When and How questions about a purchase.

2. SERVICES are work or duties performed by a professional or one especially trained to do such a task.

3. IMPULSE BUYING is spur-of-the-moment or unplanned purchasing.

4. BAIT & SWITCH is a sales gimmick in which an item is advertised, but a more expensive one is offered to the customer.

5. APR is the rate of interest for one year.

List and discuss actions and influences which may cause the modern consumer to make less than wise consumer decisions.

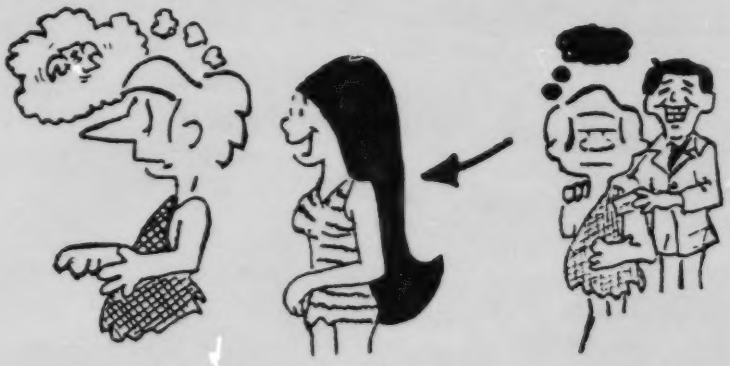
Evaluate your own shopping behavior. Will you now be a more informed, wiser shopper?

WHAT DOES A PAYCHECK PAY FOR?

ANSWERS WILL VARY

WHAT OTHER THINGS WOULD YOU WANT <u>YOUR</u> PAYCHECK TO PAY FOR?

ANSWERS WILL VARY



HOW is Mary's problem a problem of SCARCITY?

HOW should Mary solve her problem? ANSWERS WILL VARY

Talk about problems you have faced which were similar to Mary's problem. How did you solve your problems?

Every person and all governments and nations have a problem of scarcity ! They need or want a lot, but only have so much real money to spend.

Our wants and needs must be satisfied through our mental and physical efforts--individually and collectively. To reach our goals we must make choices. These choices require personal and group decisions.

Most people (including governments and businesses) find that budgeting is one way to deal with the problem of scarcity. Budgeting includes the following steps:

1. Determine how much money there is to spend (Income)
2. Estimate expenses
   - Fixed expenses (Necessities which must be paid continually such as shelter, utilities, etc.)
   - Flexible expenses (Items such as medical care; home repair, appliances, car, etc.)
   - "Extras" -- vacations, luxury items
3. Plan for savings
4. Record actual spending
5. Compare estimates with your actual spending

When you have estimated all costs, compare the amount earned with the amount spent. Analyze your spending habits and determine areas in which you can cut costs.

Do I Need a Budget?

List the 4 basic steps in budgeting:

1. START IT
2. WRITE IT
3. TRY IT
4. KEEP IT OR REVISE IT

A BUDGET IS OF NO VALUE IF YOU HAVE ALL THE MONEY YOU NEED.

PERSONS WITH THE SAME INCOME HAVE THE SAME BUDGETS.

FIXED EXPENSES INCLUDE APPLIANCES, ENTERTAINMENT, AND GASOLINE.

All of the above statements about budgeting are *FALSE*.
See if you can think of the reasons they are false.

ANSWERS WILL VARY

Explore your feelings about money:

How would you feel if you had plenty of money?
Could lack of money affect a person's attitude toward life?
What factors might influence the way people spend money?

ANSWERS WILL VARY

6. USE CONSUMER "ACTION LINE"
   Many radio and TV stations provide this service
   Information and follow-through is provided

Mary, a friend of Carlos Tillis, also has a consumer problem. Mary has had trouble with the United States Postal Service. Many times packages arrive damaged. Many times her mail is put into her neighbor's box, three blocks down the street. And recently, she was confronted by a rude postal worker as she was trying to mail a letter to Japan. Mary is irritated by all of this and wants to take "consumer action." What can she do at each LEVEL of CONSUMER ACTION? Try to help Mary by thinking out loud (Brainstorming) and sharing ideas with your class.

INTERPERSONAL LEVEL -- Example: call the local postmaster

1.

2. ANSWERS WILL VARY

3.

INTERGROUP LEVEL -- Example: write letters to national consumer groups about the quality of the U.S. Postal Service

1.

2. ANSWERS WILL VARY

3.

SOCIAL SYSTEM LEVEL -- Example: contact her congressperson to initiate new laws and rules about the operation of the U.S. Postal Service

1.

2. ANSWERS WILL VARY

3.

SUMMARY: What is Mary's <u>Responsibility</u> as a postal service consumer?

What are Mary's <u>Rights</u> as a customer of the U.S. Postal Service?

Think about the three best kinds of Recourse which Mary might take to resolve her consumer problems.
Why are your choices the <u>best</u>?

ANSWERS WILL VARY

The 3 R's

Label each of the following consumer problems.
Tell which of the types of failure each represents: DELIVERY
PERFORMANCE
COMMUNICATION
FRAUD

1. COMMUNICATION — The consumer understood his new washer would be delivered and installed. The seller expected the buyer to make these arrangements.

2. FRAUD — The seller claims the toy is safe although he has evidence in the form of consumer complaints that it is not safe.

3. PERFORMANCE — All models for a certain year must be recalled by the manufacturer because they have been found unsafe.

4. DELIVERY — A product is delivered, but without all the options ordered.

5. Write the numbers of the two examples above which would be complaints to be forwarded to the Consumer Product Safety Commission. 2 3

Choose a product commonly purchased by the modern consumer. Discuss the consumer's rights, responsibilities, and recourse as a consumer of that product.

ANSWERS WILL VARY

Is it true that today's consumer is often too concerned with his rights and often forgets his consumer responsibilities?

ANSWERS WILL VARY

STUDENT PAL

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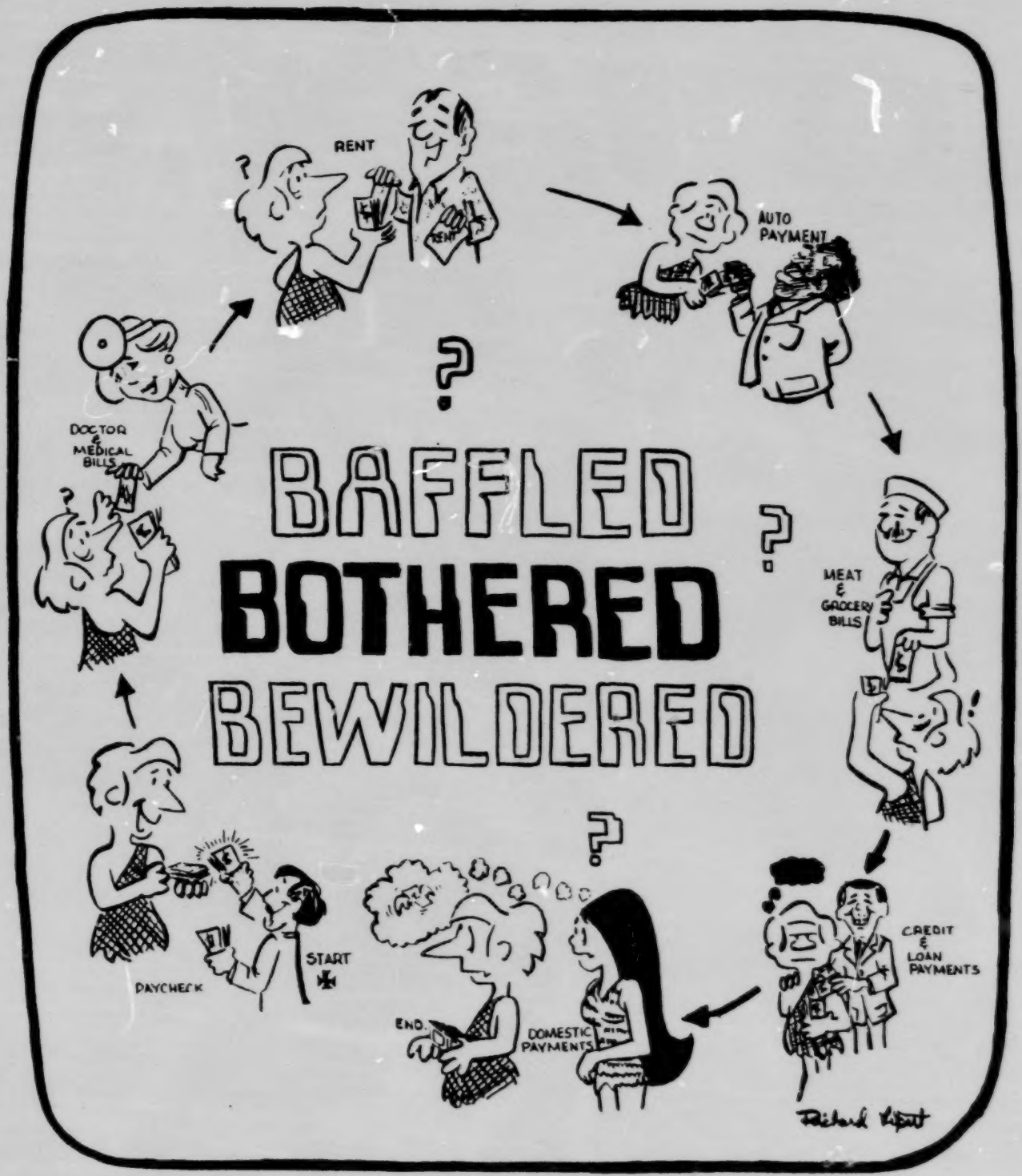
RENT
AUTO PAYMENT
MEAT & GROCERY BILLS
CREDIT & LOAN PAYMENTS
DOMESTIC PAYMENTS
END
START
PAYCHECK
DOCTOR & MEDICAL BILLS
BAFFLED
BOTHERED
BEWILDERED

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Be it known that this consumer education instructional unit has not been endorsed by either the Florida Department of Education or the United States Office of Education; and that the points of view or opinions expressed do not necessarily represent the official policy of these agencies.

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W E L C O M E to this PAL*, a consumer resource booklet. The two characters shown on this page are the Hazzards -- Ms. Happ and Happ Hazzard. You will find them in many of the illustrations used throughout this booklet.

Important information is divided into chapters or sections. Each section begins with a title page and includes:

P A S S W O R D S which give the special meanings for the words used in that section.

R E V I E W T I M E exercises to determine what you have learned.

Have fun, study hard, and become a conscientious consumer.

*PAL: Packaged Activities for Learning

Users of the consumer skills presented in this resource booklet come in both genders, female and male. The text and dialogues sometimes say "he," sometimes "she," sometimes "you," sometimes "the person." Please feel free to substitute the feminine for the masculine pronoun, and vice versa, any time it is appropriate to your situation.

HAVE YOU EVER WONDERED:

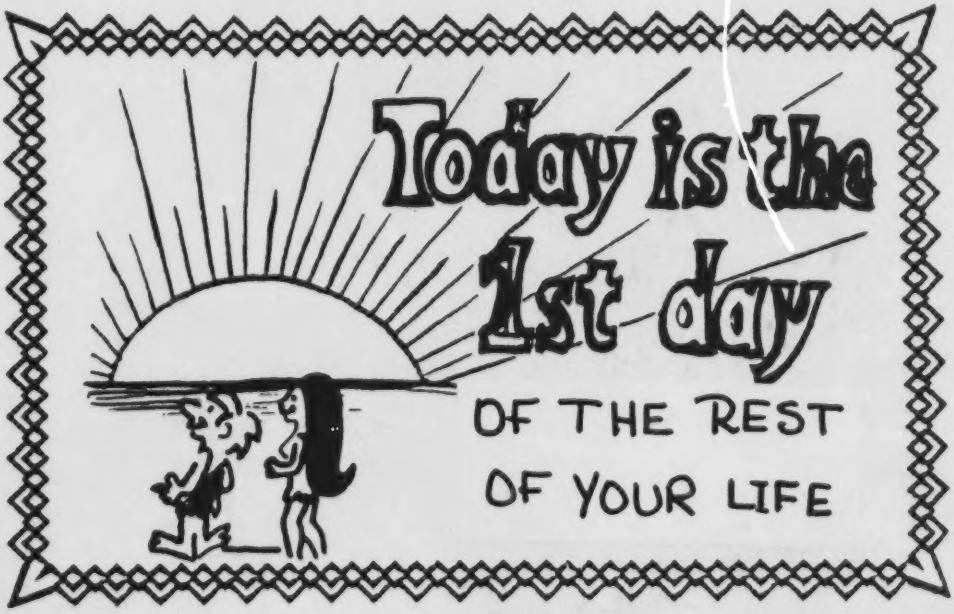
What is my role as a consumer in America's Free Enterprise System?

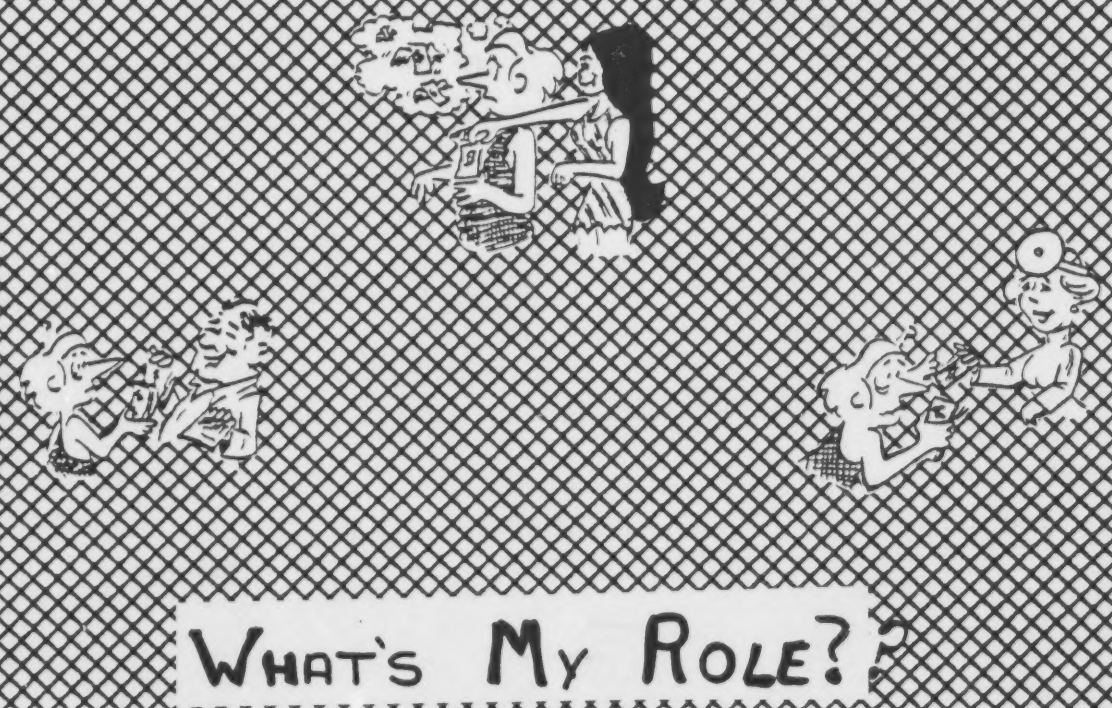
What decisions do I need to make before purchasing an item or a service?

What are the benefits of a budget?

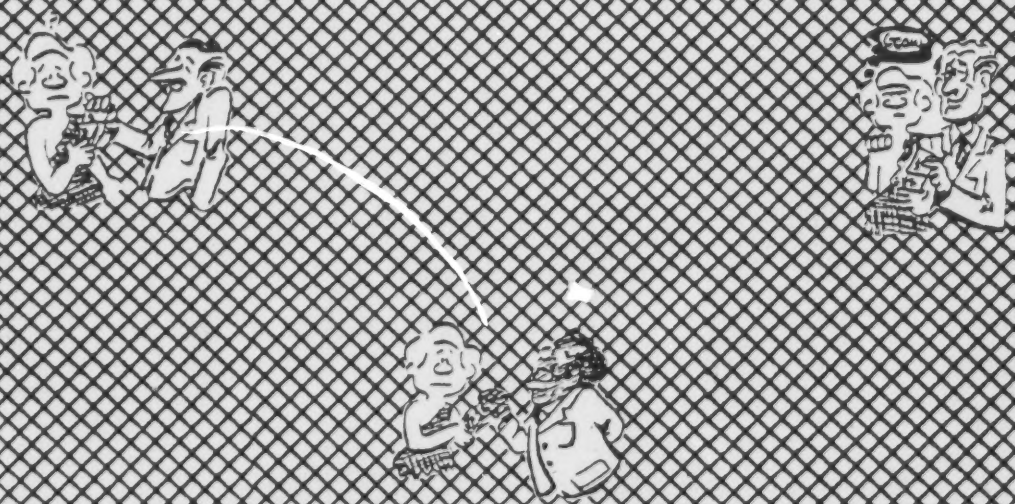
What are my consumer rights, responsibilities, and avenues of recourse?

THIS PAL MAY HELP YOU TO FIND THAT:





WHAT'S MY ROLE??



passwords ...

What's My Role?

BARTER	*To give goods or services in return for other goods or services; to trade*
COMMAND ECONOMY	*An economic system in which production decisions are made by a ruler or a small group of rulers*
COMPETITION	*Business rivalry; competing for customers or markets*
CONSUMER	*A person who uses goods or services to satisfy his own needs rather than to resell or produce other goods with them*
DEMAND	*The quantity of goods or services purchasers are willing and able to buy at a specific price at a given time*
ECONOMY	*A system of producing, distributing and consuming wealth; financial system*
FREE ENTERPRISE	*An economic system in which private industry and business is free to operate competitively with a minimum of government regulation*
MARKET	*To offer for sale; purchasers*
MARKET ECONOMY	*An economic system in which producers try to sell their goods and services at the highest price consumers will pay*

PROFITS	*The money remaining after all costs of producing goods and operating a business have been deducted*
SERVICE	*Work done or duty performed for another or others, such as professional service, repair service*
SUPPLY	*The quantity of goods or services sellers are willing to sell at a specific price at a given time*
TRADITIONAL ECONOMY	*An economic system in which most production decisions are made following the customs of ancestors*

Ready to Move On ?

Do You Know the Passwords ?

American Consumerism

THE AMERICAN MARKET PLACE IS AN ECONOMIC JUNGLE. AS IN ALL JUNGLES, YOU CAN EASILY BE DESTROYED IF YOU DON'T KNOW THE RULES OF SURVIVAL. YOU CAN EASILY FALL INTO DANGEROUS TRAPS FROM WHICH YOU CANNOT ESCAPE UNHARMED IF YOU AREN'T ALERT AND DO NOT KNOW HOW TO AVOID THEM. BUT YOU ALSO CAN COME THROUGH IN FINE SHAPE AND YOU CAN EVEN FLOURISH IN THE JUNGLE--IF YOU LEARN THE RULES, ADAPT THEM FOR YOUR OWN USE, AND HEED THEM. [22]

$$$$

Being a consumer involves more than walking into a store and buying something.

It's knowing what you want and need.

It's budgeting your money so you'll have the cash for both your needs and wants.

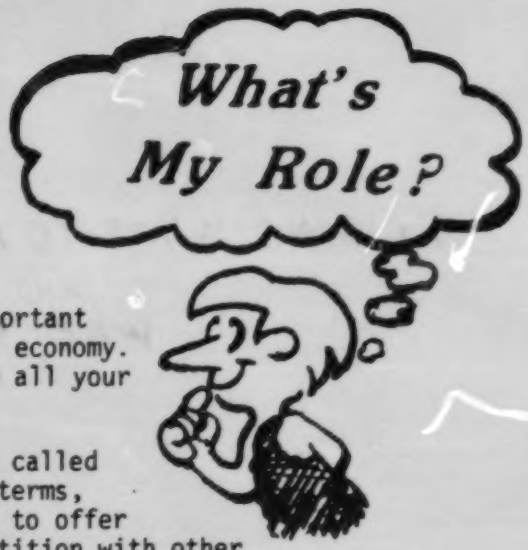
It's being aware--of goods and services available to you, of how to utilize banking services, of how and when to use credit and insurance, and how to understand taxes.

It's knowing you have the right to refuse to buy in stores which do not offer good service.

It's refusing to be impressed by a big name unless that name is backed up with good service or products.

Most of all, smart consumerism is knowing that YOU have the right to cast your economic vote in the marketplace. You have the right to choose one brand over another and one store over another. The smart consumer is all-powerful. All that is necessary is for you to BE INFORMED.

FREE ENTERPRISE



As consumer-producer-citizen, YOU are an important force and play an important role in the U.S. economy. You play a role today. You will play a role all your life.

Our country's economy or financial system is called the FREE ENTERPRISE system. In very simple terms, this means that private individuals are free to offer their products or services for sale in competition with other individuals who are marketing similar products or services. Thus, sellers compete for the buyers' dollars.

The consumer's role is to compare and judge the quality of the goods & services offered, and to choose those which best meet his needs. The consumer is therefore a voter in the marketplace. In the free enterprise system he casts his vote when he chooses product A over products B & C.

The consumer's reward is the merchandise or service purchased. The seller's reward is the profit made on the sale. The profit becomes an incentive to produce more goods.

Free enterprise is based on the theory that private sellers who offer poor quality or over-priced merchandise or services will be forced out of the market because the consumer will not buy his products.

DECIDING WHAT TO PRODUCE AND WHO WILL GET WHAT IS PRODUCED

If we could look at the economic systems in all the nations on Earth, we would be able to see three types:

TRADITIONAL ECONOMY — In a traditional economy--like an Indian village or an Eskimo region--people have to deal with questions about <u>what</u> to produce (food, spears, shoes, etc.) and <u>who</u> should get <u>what</u>. Decisions are based upon the customs of ancestors, so the king or ruling group may get the first three fish from each catch.

COMMAND ECONOMY — In a command economy--like communist nations--people have to make the same decisions, but the ruling group makes the decisions about <u>what</u> should be produced and <u>who</u> should get it. The ruling group decides for the whole country--in terms of what they think is best for themselves or best for everyone.

MARKET ECONOMY — In a market economy--like the United States--the same decisions must be made about <u>what</u> to produce and <u>who</u> should get it. Decisions about production (how many shoes, houses, spears, and balloons, etc.) are made according to who is willing to buy them and at what price. Decisions about who gets the products are made by the money the consumers have and the price.

The market system is of course the most complicated. A market is an opportunity for exchange based on choice--whether or not to exchange and whether the goods offered meet personal needs. The market system offers both freedom and complications.

The United States has a mixed economy which is closest to the Market Economy type. Most of what is produced is produced by private companies competing in the marketplace for consumers' dollars and desires. Of course, some goods and services (Army, Air Force, Postal Service, etc.) are produced by government and people pay taxes (outside of the marketplace) for them. Government also controls some production for the good of all. Your electric utility and telephone are examples. Private companies provide the service. But, since it would be too costly to have eight phone companies in your area, there is only one and its prices are controlled by the government.

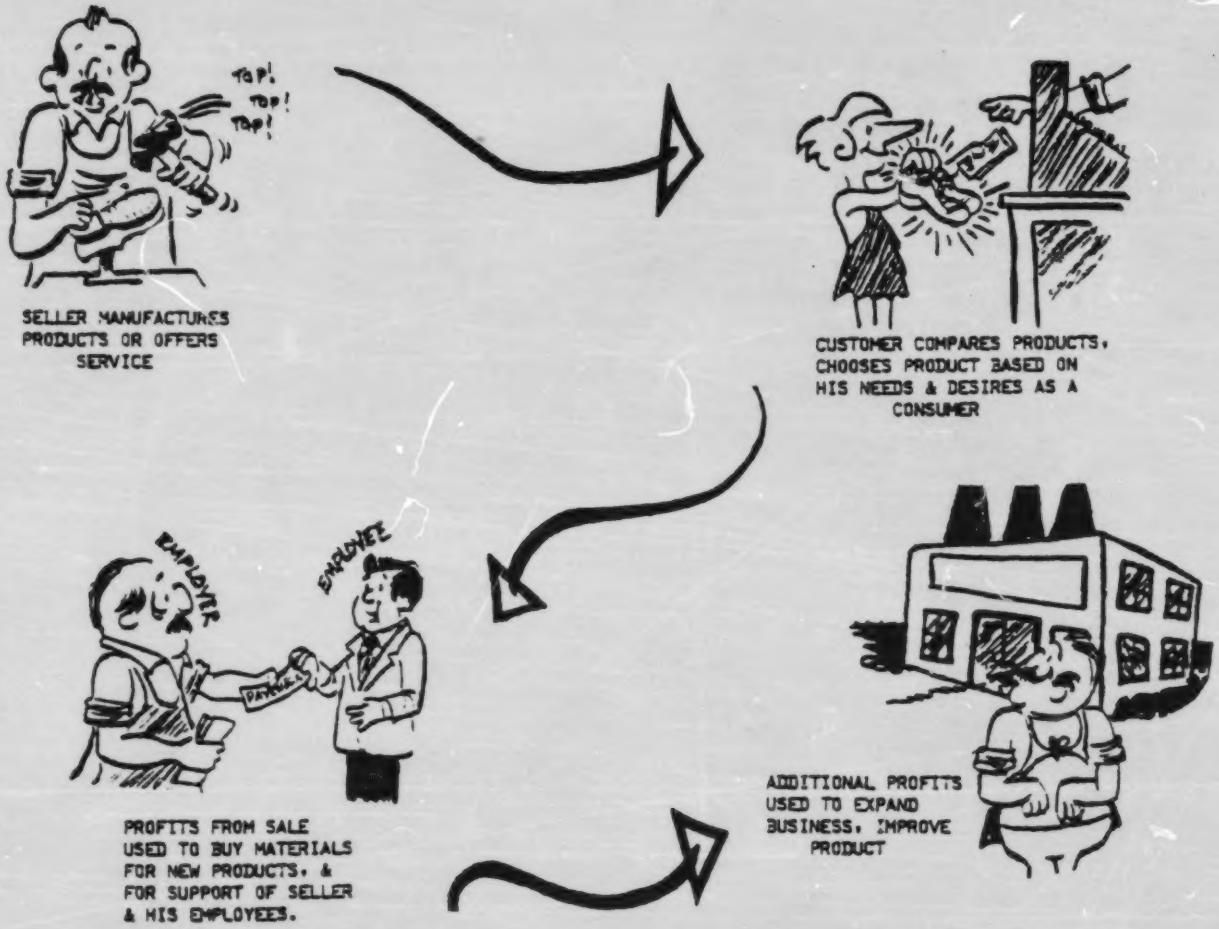
The market system is the core of our economy. Other economies (such as socialist & communist) control or limit quantities & prices of goods through government planning agencies.

In government-controlled economies, only those products which the state feels are "right" for its people are available--the consumer does not have the right to decide for himself which product or service best meets his needs. In the U.S. market economy, prices of goods & services are largely determined by the free interaction of buyers and sellers.

The free enterprise system is, of course, a complex economic system with many factors and considerations involved. We are all aware that sometimes even this system has problems. Sometimes we have difficulty in deciding which purchase can give us the best value for our dollar.

Our free enterprise system, in its simplest form, might look like this:

Free Enterprise


TAP! TAP! TAP!
SELLER MANUFACTURES PRODUCTS OR OFFERS SERVICE
CUSTOMER COMPARES PRODUCTS, CHOOSES PRODUCT BASED ON HIS NEEDS & DESIRES AS A CONSUMER
EMPLOYER
EMPLOYEE
PROFITS FROM SALE USED TO BUY MATERIALS FOR NEW PRODUCTS, & FOR SUPPORT OF SELLER & HIS EMPLOYEES.
ADDITIONAL PROFITS USED TO EXPAND BUSINESS, IMPROVE PRODUCT

MONEY ECONOMY

In addition to our role as consumer/voters in the free enterprise system, we play a role in our money economy.

When civilization began, there were no stores to buy from and no money to buy with. Each individual spent most of his time struggling to find enough food and shelter just to stay alive.

As men became more civilized and able to specialize in one job field, they began to exchange items they had for other items they needed. For example, a cobbler might exchange a pair of shoes for flour from the miller. This system of exchange of goods is called bartering.

Later, as civilizations grew more complex, man saw the need for a more convenient way to exchange goods. It had become too difficult to exchange items such as cows for other items such as shoes. So, money was born.

Money could be anything of value, anything that was rare and difficult to get. Gold and silver, because of their rarity, were minted into coins of specific weights and sizes which represented specific amounts of wealth. Eventually, even this method became impractical. Think, for instance, of carrying around enough gold coins to buy a car!

Paper money was printed by various governments to represent a specific amount of gold or silver stored away to "back" the value of the paper. The real value of paper money is, of course, the amount of goods or services it can purchase.

Our money economy has developed as civilization has developed. Today the consumer uses his money, in whatever form, to purchase goods and services in the marketplace. The consumer uses money as a medium of exchange to exchange his skills for the necessities and luxuries he feels are necessary for his lifestyle.

SUPPLY & DEMAND

The American consumer's continual purchasing of goods and services keeps the American economy growing.

As the consumer demands new goods and services, business must produce or supply products to meet these demands.
In this way the public's needs and tastes dictate what is produced in our country.

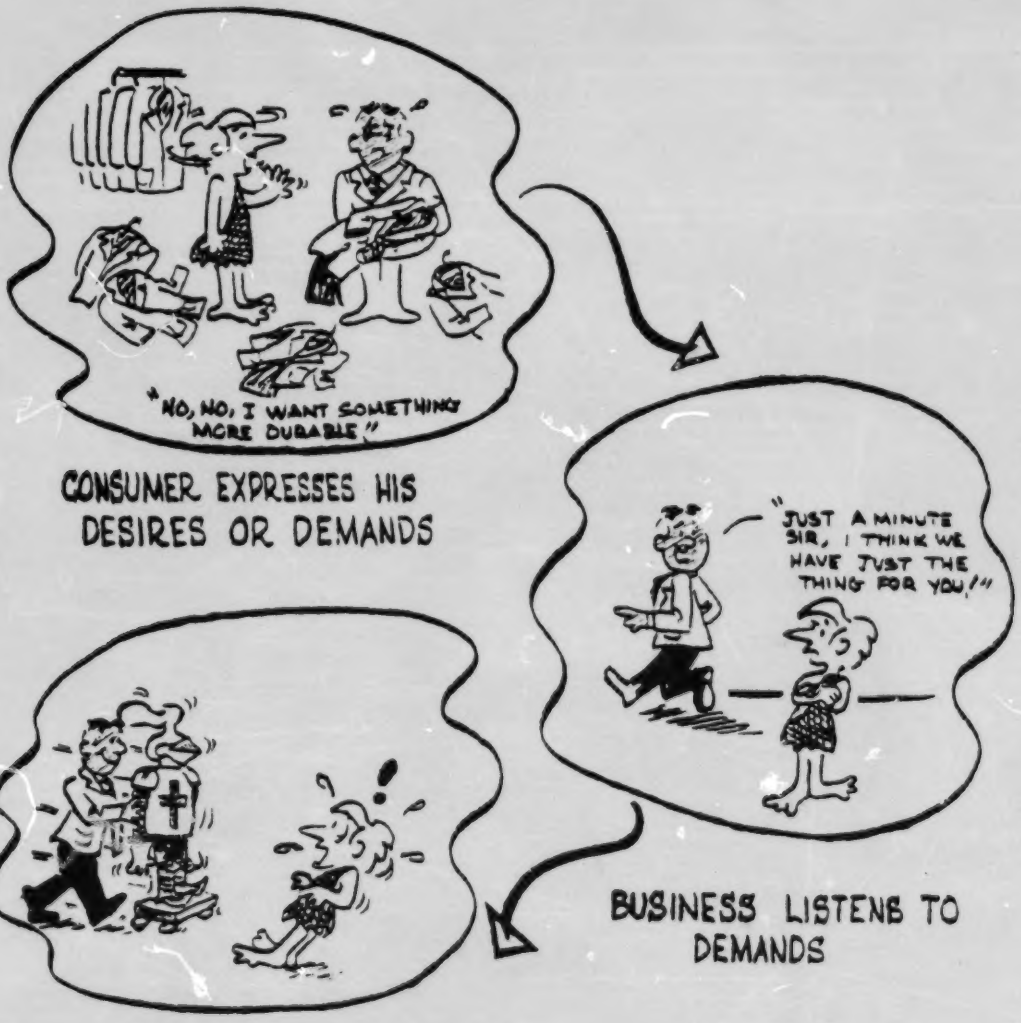
Prices and quantities (amounts) are determined by the market.
The market is the buyers and sellers.
The buyers look over goods and services that are available and decide how to spend their incomes.
The sellers watch how buyers spend their money and plan to supply what is in demand. The seller also offers new products to tempt the consumer.

Supply and demand are two of the factors which determine the price of an item offered for sale. Supply refers to the amount businessmen are willing and able to produce and sell. Demand is the amount users would like to buy. Demand is not just desire, however. It is desire backed by purchasing power. The child with his nose pressed against the glass of a candy counter or the teen looking longingly at the latest sportscar are probably not considered as examples of demand. The desire is there, but not the dollars.

The law of demand states that people will want more of a product if that product's price declines.

The consumer needs to be certain that his demands are heard and clearly understood so that the product offered is really what is wanted:

Supply and Demand


"NO, NO, I WANT SOMETHING MORE DURABLE."
CONSUMER EXPRESSES HIS DESIRES OR DEMANDS
"JUST A MINUTE SIR, I THINK WE HAVE JUST THE THING FOR YOU!"
BUSINESS LISTENS TO DEMANDS

BUSINESS ATTEMPTS TO SUPPLY PRODUCT BASED ON BUYERS DEMANDS.

When the supply exceeds the demand, the sellers may lower prices to stimulate sales.
When the demand exceeds the supply, the buyers bid up the prices as they compete to buy goods.

The level of demand is determined by:

desire (inclination to <u>want</u> an item)
price
income
prices of other goods
expectations for the future
size of the population

It is only in a free enterprise economic system such as in the United States that a supply and demand system can operate.

AS AN AMERICAN CONSUMER YOU LIVE IN AN ECONOMIC SYSTEM WHICH MAY BE CLASSIFIED AS

FREE ENTERPRISE
MONEY ECONOMY
SUPPLY & DEMAND

YOU PLAY AN IMPORTANT ROLE IN THE WAY YOU DECIDE TO SPEND YOUR MONEY.
WHAT YOU SAY <u>IS</u> IMPORTANT.

What's My Role?

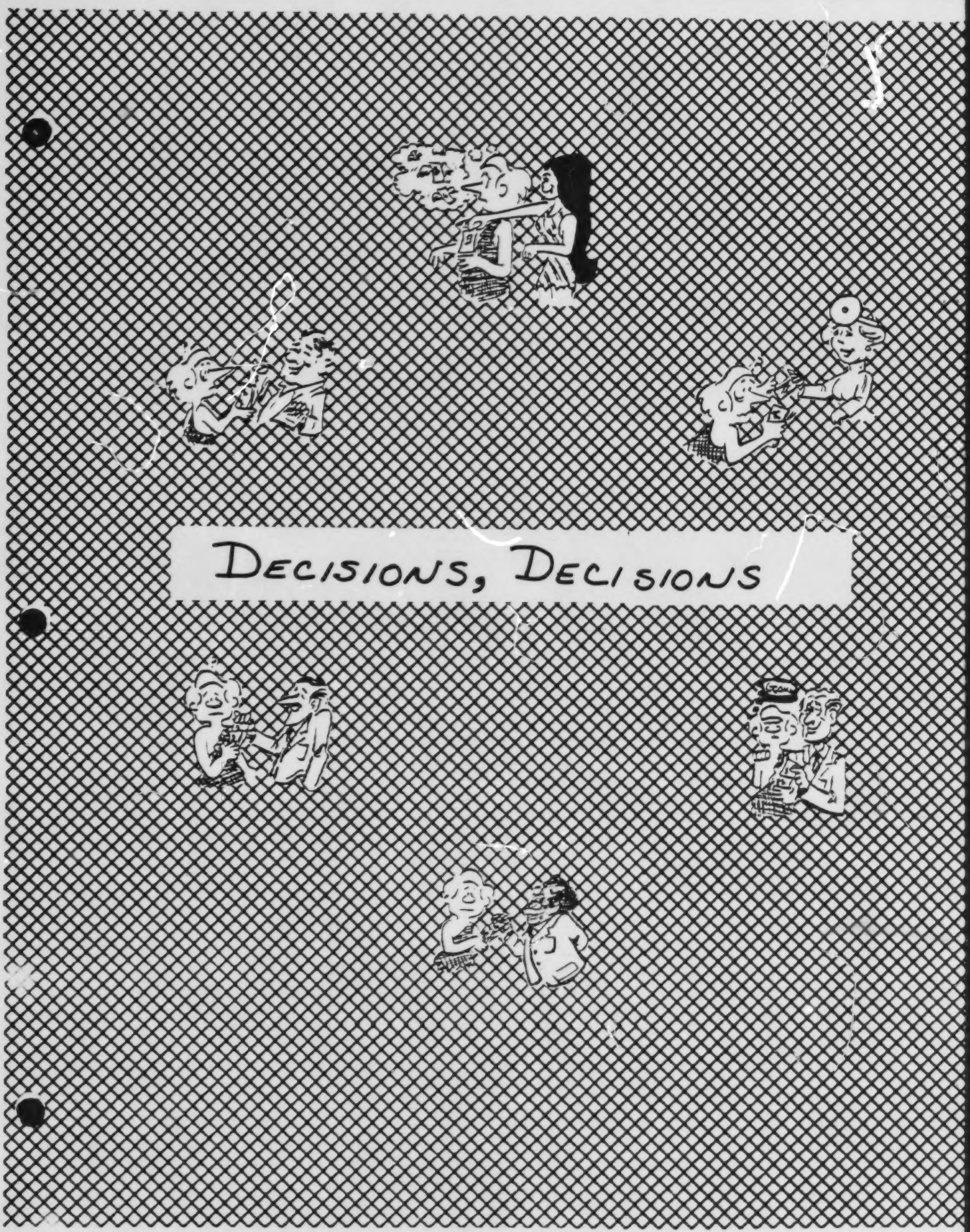
TRUE	FALSE	
____	____	1. Consumers "vote" in the marketplace when they select one brand from many that are offered for sale.
____	____	2. Competition is not allowed in a free enterprise system.
____	____	3. A free enterprise economic system offers the private individual a wide range of choices in goods and services.
____	____	4. If there are more skateboards manufactured than there are people who wish to buy them, we can say the supply outweighs the demand.
____	____	5. For the most part, the consumer has no influence on what is produced in the United States.

Discuss the following statement:

The purpose of an economy is to produce goods and services, large in quantity, high in quality, and reasonable in price for maximum satisfaction in consumer use.
This purpose is best met in a free enterprise system.

Name 3 ways in which consumers benefit from competition among businesses.

How might competition work to the disadvantage of consumers?


DECISIONS, DECISIONS

passwords ...

Decisions, Decisions

APR	Annual Percentage Rate *The rate of interest for one year; the real cost of credit*
BAIT & SWITCH	*A method used by a seller to lure customers with an advertised item and then try to sell a similar, but more costly, item*
BALLOON PAYMENT	*An inflated final payment in a credit contract; often twice the size of other payments*
BETTER BUSINESS BUREAU	*A non-profit business organization which provides information concerning companies selling goods and services, and offers a free-of-charge procedure for processing consumer complaints*
COMPARISON SHOPPING	*Shopping for the best value by comparing quality and cost*
CON ARTIST	*Confidence man; one who attempts to cheat another through trickery*
CONSCIENTIOUS	*Careful*
CONTRACT	*A legal agreement between two parties in which one agrees to give something in return for receiving something else*
CREDIT	*Paying for the privilege of using an item before it is paid for*
DEFAULT	*Failure to pay when due*
DOWNPAYMENT	*A part of the full price paid at the time of purchase or delivery with the balance to be paid later*

IMPULSE BUYING	*Buying without prior planning; spur-of-the-moment purchasing*
INTEREST	*The amount paid for the use of borrowed money*
INVENTORY	*Listing of all goods and merchandise within a store*
IRREGULARS	*Items that have some type of imperfection*
SEASONAL	*Occuring only during a particular time of the year*
SECURITY	*Something given as a pledge of repayment*
SNOB-APPEAL	*Appealing to one's desire to appear to be richer, more successful, etc., than others*
SYMPATHY	*Compassion, pity*
TRADING STAMPS	*Stamps given by merchants at the time of purchase; stamps may be redeemed later for gifts*
VANITY	*Being excessively proud of oneself or one's possessions*
WHITE ELEPHANT	*An item which is no longer of value to the owner*

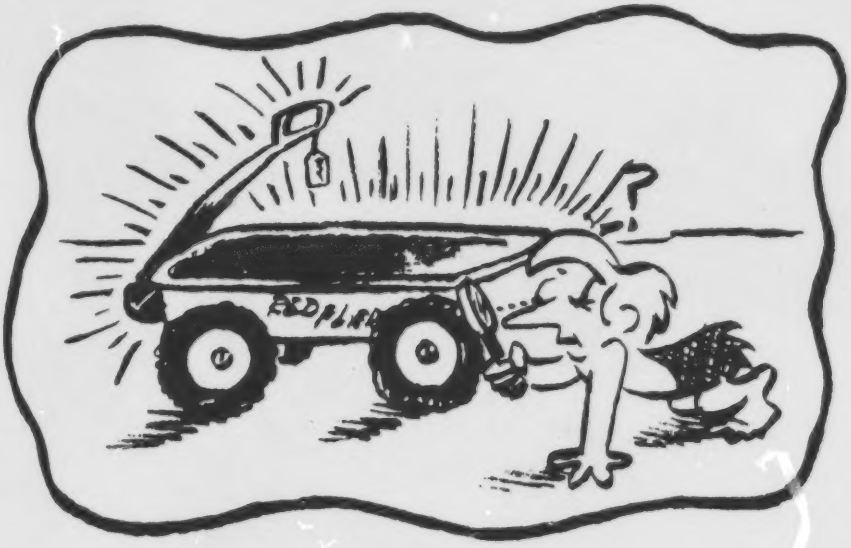
Ready to Move On ?

Do You Know the Passwords ?

Decisions, Decisions

Every consumer is a consumer in every part of his life. Each is a consumer of food, clothing, appliances, homes, gasoline, medical services, repair services, etc. The list is endless.

Many years ago buying things was fairly easy for the consumer. He knew what he needed, perhaps a new wagon, and went out to buy it or the materials to make it.



If there were two stores selling wagons, the consumer would visit each, price the wagons and check the quality by looking at them very carefully. Then he would buy the one that seemed to give the most quality for the least amount of money. If the consumer didn't have enough money to buy the wagon, he went home and waited for the new wagon until he had saved enough money.

Things are a little different for today's consumer. Cars have taken the place of wagons. Instead of two stores selling wagons, there are many car dealerships selling many different types of cars. Instead of looking at a product to determine its value, most consumers do not have the necessary background to determine if the engine is well-built or not. Instead of paying cash or doing without, the consumer has the choice of using credit; buying now and paying later.

Obviously, today's consumer has a much harder task deciding what to buy and how much to pay for it.

As a modern American consumer, there are at least 5 basic questions to answer about the purchases you wish to make:

WHY ?
WHAT ?
WHERE ?
WHEN ?
HOW ?

Each of these questions needs to be considered carefully when making purchases. These points are especially important when those purchases are major ones.

Too many of today's consumers tend to buy on the spur of the moment. They believe all the salesman promises. They want something for as little as possible. CONSCIENTIOUS CONSUMERS answer all five of these questions *before* making purchases.

why?

The FIRST major question a consumer has to ask is WHY? -- Why do I want to purchase this item or that item? Think about some of the items which you purchased last week. WHY did you purchase them?

ITEMS PURCHASED	REASONS PURCHASED
1. _____	a. _____
	b. _____
	c. _____
2. _____	a. _____
	b. _____
	c. _____

Think about the reasons you purchased these items. Were your reasons GOOD reasons? What is a <u>good</u> <u>reason</u>? Are there "bad reasons" for purchasing things?

Let's help Carlos Tillis make a decision. Carlos is a fine fellow who loves music. When he lived at home with his parents, Carlos spent hours each evening listening to music while he wrote poetry, or painted, or worked on his car. Each day he would look forward to the peaceful evening when he could have his music and relaxation after a hard day at school. Now, Carlos is out of school and has just rented his own apartment several miles from his parents' home. He does not have a stereo and is thinking about buying one.

Help Carlos by suggesting:

GOOD REASONS FOR BUYING A STEREO	REASONS FOR NOT BUYING A STEREO
_____	_____
_____	_____
_____	_____

As you were helping Carlos, what things did you think about which would influence Carlos?

What <u>influenced</u> Carlos to want a stereo?

FOUR major factors influence our decisions:

Knowledge (What we have learned from others)

Experience (What we have learned for ourselves)

Values (What is important to us; the basis of our goals)

Feelings (What emotional reactions we have)

Try your hand at identifying influences on your decisions. Redraw the chart on the next page on a sheet of paper. Then, fill out the chart using of of your recent decisions to purchase something (a tube of toothpaste, a bike, a shirt, a record, etc.).

DECISION				
INFLUENCES	1	2	3	4
	Knowledge	Experience	Values	Feelings
CONSEQUENCES				

Notice that your work with this chart only helps us understand why we make decisions to purchase things. It does not help us make wise purchases. (Carlos still has to decide which brand and model of stereo to buy and where and when to buy it!)

what ?

Whether you are in the market for goods or services, the "What?" question is not an easy one to answer. At first you might think this the easiest of questions to answer. You decide you want something, so you buy it!

The question "what?", next becomes the more specific, "which one?". This is especially true when the consumer faces the great number of almost-the-same articles from which to choose when he makes his purchase. This happens whether the item is a toothbrush, a new pair of jeans, or a repairman to fix the family TV.

COMPARISON SHOPPING can begin long before you make the actual purchase. It can (and should) even begin at home. You can get valuable shopping information from:

* *FRIENDS' ADVICE*
* *CONSUMER MAGAZINES (CONSUMERS' RESEARCH, CONSUMER REPORTS, etc.)*
* *ADVERTISING*

* *SHOPPING GUIDES IN YOUR LOCAL LIBRARY*
* *LOCAL CONSUMER & CIVIC ORGANIZATIONS*
* *BETTER BUSINESS BUREAUS*
* *RADIO, T.V., NEWSPAPERS & MAGAZINES*
* *LABELS, HANG-TAGS, WARRANTIES, etc.*

Be especially careful when shopping for SERVICES. Be careful to deal only with reliable and reputable individuals and businesses. Always check references and get cost estimates first.

Continue your comparison shopping when you reach the stores. It can save money even on small items. Compare sizes and cost--small cans vs. large cans, store brands vs. name brands, etc. Bargain buying is an art. In determining what a bargain is, it is important to consider quality as well as price.

where ?

When you have decided which product to purchase, shopping continues in deciding *where* to buy. Department stores, variety stores, discount stores and many specialty shops may carry the exact model of the exact product you want. Although considerations vary according to what you are buying, basic general questions to consider would include: ITEM COST, SERVICES OFFERED and STORE POLICIES.

* Item Cost

Consider cost differences when there is a noticeable difference such as special sales, etc. A small savings is not so important when you may have to drive a great distance just to buy one item.

* Services Offered

* Store Policies

Consider the services offered by the store such as free delivery, replacement, and warranty service which are also store policies and vary from store to store. These services and policies are especially important when the purchase is a major one.

Should you decide to make your purchases by shopping by mail, remember the following rules:

Order at least 3 to 4 weeks before the item is needed.

Be explicit in your instructions

Use only mail order houses familiar to you

Don't rely solely on item pictures

Check conditions of sale and/or guarantees

Pay by check or money order--never cash

Remember to consider shipping costs in total price

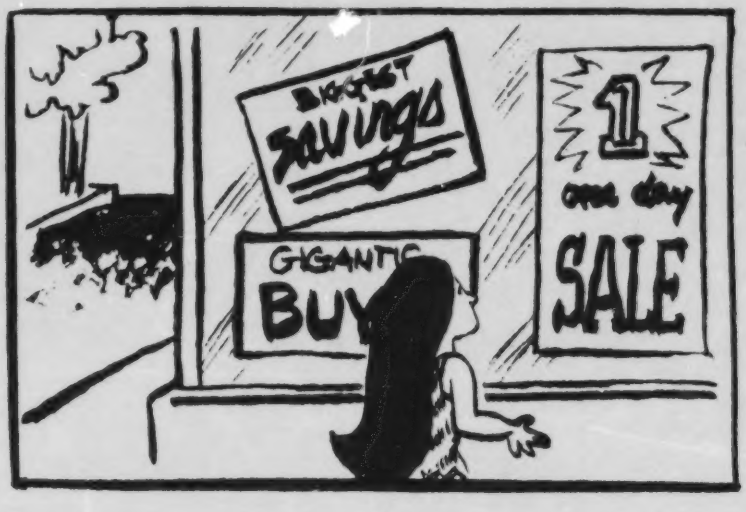
when ?

Prices often depend on WHEN you purchase.
Once you have decided to purchase a Splendiferous Spring Thing at Honest Harry's Hideout, you can still probably make a better buy if you consider when to buy.

One of the best ways to save money is to shop sales. If you know that you will be needing an item, you should begin to keep an eye on advertisements of sales on that item before you have to have the item.

For example, if your TV is beginning to "die," and it is old enough for you to begin thinking of a replacement, start looking for sales. Almost all items are sale-priced eventually. The wise shopper tries to plan his buying habits accordingly.

Many items regularly go on sale. For example, linens such as sheets & towels are sold on sale during "white sales" usually in mid-summer and mid-winter. If you're running low on these items, try to hold off purchasing until the next sale; or, better yet, pre-plan and buy extras before you're in need.



A *Super Sale Shopper* will recognize at least eight basic types of sales. Recognizing these sales as possible sources of real bargains is important. Knowing what to look for at each of these sales and buying only those items which meet real needs are the important things to remember. Half price and 1¢ sales may offer real bargains, but a *Super Sale Shopper* buys only such bargains when he really needs them.

Be on the lookout for such sales as:

1. PRE-INVENTORY	Sale held to clear out as much merchandise as possible to make inventory easier
2. SEASONAL	Items are specially priced because of abundance; for example, vegetables in summer--a good time to buy and freeze or can foods to combat higher costs in winter
3. SPECIAL	Special occasion sales such as a store anniversary or a holiday
4. END-OF-SEASON	"Leftovers" from a previous season are sale-priced to make room for new merchandise--a good time to stock up on needs for next year if items are basic items which will be needed next year
5. PREFERRED CUSTOMER	Sale designed for those who shop a particular store regularly; gives steady customers a chance to buy before sale is announced to general public. Announcements of sale are usually mailed to customers who have charge accounts or have purchased merchandise regularly.
6. IRREGULARS, SECONDS, DAMAGED GOODS	These are items which would sell for more if perfect; many times the flaws are small and make little difference in the appearance or quality of the merchandise. But, be careful. Inspect goods thoroughly before buying.
7. WHITE ELEPHANT	Usually this is hard-to-sell merchandise that others have passed over, but take a look. You may find just what you've been looking for.
8. GARAGE, YARD, CARPORT	Sales of this kind are held by private citizens who want to clear out unused items. Goods are often used, but cheap.

Think of the kinds of items or merchandise available at each type of sale. Different types of sales offer different types of bargains for the *Super Sale Shopper*. See how well informed you would be by completing the following exercise.

Exercises

Match the item with the type of sale at which you would be most likely to find it.
Place the correct letter from Column B in the blank by Column A.

A	B
_____ 1. Irregulars Sale	A. A stuffed raccoon
_____ 2. White Elephant Sale	B. A winter coat in May
_____ 3. Seasonal Sale	C. A sheet with a slight flaw in the pattern
_____ 4. Garage Sale	D. A used play pen
_____ 5. End-of-Season Sale	E. Fresh vine-ripened tomatoes

how ?

Because you are a conscientious consumer in modern America instead of the consumer buying the wagon, you also have considerations and choices to make on <u>how</u> to buy your very own Splendiferous Spring Thing at Honest Harry's Hideout.

You need to consider not only how to pay for your Splendiferous Spring Thing, but also how to shop for it.

One of the biggest threats to the wise consumer is <u>impulse buying</u>--buying on the spur-of-the-moment with little or no thought given to need, usefulness, or even cost. This "want it - buy it" habit can be very expensive and cause regret later. To avoid being an impulse buyer:

Don't buy anything you don't have a use for.

Plan Ahead --know what you need & how much you're willing to spend for it.
Make a list of things needed & stick to it!

No matter what you're looking for, keep in mind a few rules and you'll find that you are much more satisfied with your final purchases.

1. NEED IT

No matter how cheap, it's worthless if you can't use it.

2. INSPECT

Check the purchase carefully for any flaws or defective parts before buying. Many sale items cannot be returned.
Buy good quality (except for fads).

3. CHECK SIZES

Always try on clothing if possible.
If it doesn't fit, forget it unless you are able to alter it easily.

4. CONSIDER COLORS

If buying the item means you are going to have to buy all new accessories or paint a room to accomodate an unusual color, forget it.

5. COMPARE

Just because the sign says "50% OFF", you can't be sure you're getting a bargain unless you've compared the item with other similar items and know it's a good deal.
Make a rule not to spend over $5 (or perhaps $10) without checking the product or service somewhere else.

6. PURCHASE

Buy only from a reputable firm. Be informed concerning all details of purchase. Exchange, return, credit and service policies are important.

BUT IT WAS A BARGAIN !!

CREDIT CREDIT CREDIT

When considering the "How" question, the key to buying for most consumers is: How do I pay for it?

Today credit is available to almost anyone--and sometimes too available. "Your credit is good (unfortunately)" is an all-too-true evaluation.

The modern consumer now has a choice of whether to pay cash or buy on credit. When you buy on credit, you pay for the privilege of using the merchandise or services before paying. This means that whatever is purchased will cost more and that this extra cost is in the form of "carrying charges" or "interest charges". For example, if you buy a $200 sofa on credit, the cost of the sofa is $200, but if you take a year to pay at an 18% rate of interest, the full cost of the sofa to you will be $236.

Shop for credit and know what to look for.

WILL IT BE CASH OR CHARGE ?? Before you answer, "Charge, please," be sure you are getting the most for your money. Shop carefully for the best deal, ask if you can get a discount for cash, and be very careful about what you sign.

In addition to national and store credit cards, you may obtain loans for the purchase of merchandise from banks, credit unions, finance companies, pawn shops, etc.

$HOPPING FOR CREDIT CAN $AVE YOU CASH !

Compare the costs of credit. Ask for the APR (Annual Percentage Rate) when shopping for credit. You must be quoted this amount--It's the law! Credit institutions do not always quote this rate when discussing a loan with you. ASK, because this is the only way you can really compare the *real* cost to you.

BE AWARE - AND BEWARE - WHEN YOU SIGN !!

Compare these items in credit contracts before you sign:

Downpayment	How much cash can you afford to pay?
Size of payments	Are they all the same? Is the final payment a "balloon payment", & larger than you can pay?
Collateral	Are you required to use your house, car, etc. as security for your loan?
Repayment In Advance	What is the rule for early repayment? Are finance charges refunded? Are there penalties?
Missing a payment	What is the penalty if you are not able to make a payment?
Default	What if you just can't pay--and you have to default? Can you reclaim the item, etc?
Insurance	Are you required to carry credit insurance? If so, can you obtain your own?

Exercises

The 5 questions consumers should answer about their purchases are:

_____

_____

_____

_____

_____

TRUE FALSE

____ ____ 1. Comparison shopping can begin at home.

____ ____ 2. Checking the size of cans and comparing the amount to the price per ounce is one way of comparison shopping.

____ ____ 3. When you realize you will need to buy or replace an item soon, you should begin checking ads for sales on what you need.

____ ____ 4. In order to avoid losing out on a good buy, you should purchase the first product you see that you really like.

____ ____ 5. You can never pre-plan for a sale, because you can never determine when a sale will be.

6. If you find a good bargain, buy it, even if you don't need it. You can always find a use for it later.

7. You should shop for credit as carefully as you shop for the item you buy.

8. APR is one good way to compare the real cost of credit.

9. Sales & credit contracts are all basically the same . It is therefore unnecessary to read all the fine print or worry about lines which can be filled in later.

10. Careful comparison shopping is only necessary for major purchases.

Remember Carlos Tillis and his decision to buy a stereo? He has set his GOAL: to buy a stereo. But he still has to decide WHICH stereo. There are many models and brands of stereos for him to consider. He has limited money but there are three different stereos at three different stores for him to choose.

Use the DECISION TREE to work out STEP FOUR for Carlos. Use what you know about stereos. What are the consequences, for Carlos, of purchasing the expensive set? The cheap set? The medium-priced set.

Discuss the reasons for your advice to Carlos about which stereo he should buy.

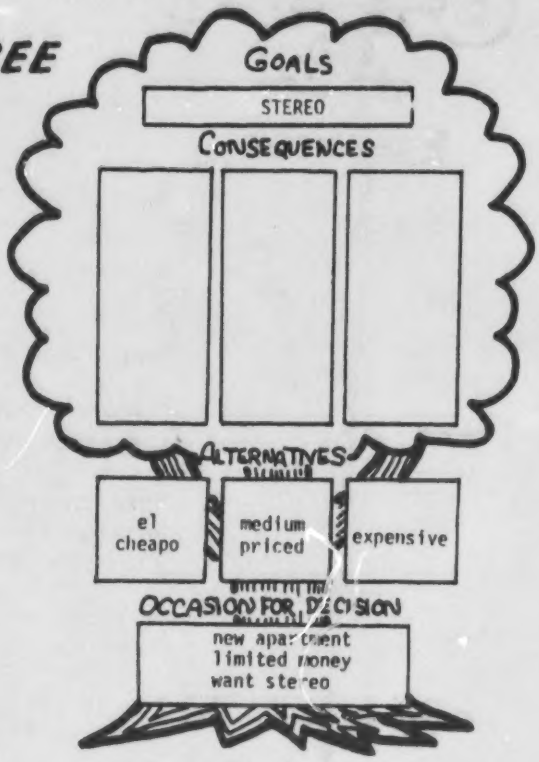
DECISION TREE

STEP ONE
"What do I want?"
(A STEREO SET)

STEP FOUR
"What are the consequences of different alternatives?

STEP THREE
"What alternatives are there?"
(Let's say three alternatives: one super cheap, one very expensive, one medium priced)

STEP TWO
The problem situation in which what to do is not obvious.
(LIMITED MONEY, BUT WANT A STEREO)



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Copy the Decision Tree on a piece of paper. Use the Decision Tree to analyze a purchase decision which you made recently. What was the occasion for the decision? What were your goals? What alternatives did you have? What were the consequences of each alternative choice???

Whether it's shopping for your Splendiferous Spring Thing or the money to pay for it, advertising or sales techniques and gimmicks used in selling are important areas not to be overlooked. Be aware - and Beware - of the WHY you buy.

As a consumer, you're prime game for the high-pressure salesman or ad executive who wants YOU to buy his service or product. Most ads are beneficial in letting the customer know what is available. Most sales persons are helpful in trying to find the right service or product for you, the consumer. On the other hand there are certain things you should be alert for. For instance:

* APPEALING TO YOUR "BETTER INSTINCTS" OR PLAYING ON YOUR SYMPATHY	*"If I make just one more sale, my poor old mother will win a wheel chair."*
* USING SNOB-APPEAL	*"If you wear this dress designer's clothes, you'll be wearing clothes the jet-setters wear."*
* PLAYING ON YOUR VANITY	*"You'll look like a movie star in this one."*
* APPEALING TO YOUR COMPETITIVE "KEEPING UP WITH THE JONES" INSTINCT"	*"All your neighbors have one."*
* RUSHING YOU	*"I don't want to hurry you, but this is a very limited offer."*
* PROMISING TOO MUCH	*"Once in a lifetime deal"* *"Unbelievable bargain"* *If it sounds too good to be true, it probably is.*

* **BAIT AND SWITCH** — *Advertising a bargain, then trying to sell a more expensive model: "Sure, that's the sale model, but it's nothing compared to this one--let me show you!"*

* **SIGN ON THE DOTTED LINE** — *Some salesmen will try to talk you into signing a contract to buy a service or merchandise you aren't really sure you want. Don't sign anything unless you are sure you want it and understand all the terms of the agreement (contract) you're signing. NEVER sign anything you don't fully understand or that has any blank areas to be "filled in later."*

Exercises

Match the type of high-pressure selling technique with the appropriate statement.
Place the letter from Column B in the blank by Column A.

A	B
____ Playing on your sympathy	A. "There are only three left--they're selling like hotcakes!"
____ Playing on your vanity	B. "This car was especially designed for the wealthy man who can afford the best."
____ Rushing you	C. "If I sell just one more subscription, I will win a scholarship."
____ Sign on the dotted line	D. "Just sign the contract and we'll work out the details later."
____ Snob appeal	E. "Sir, you look like Robert Redford in that suit!"

There are also lots of little tricks or gimmicks that are used to make the consumer think he's getting a bargain. Don't be caught by:

* PHONY CONTESTS — You "win a prize", but find there are conditions you must meet before you can collect it--such as buying another item

* EASY CREDIT — No credit check required, etc., usually means initial cost and credit charge are higher than usual

* TRADING STAMPS	Cost is passed on to the consumer. Items may cost more. Premiums bought in stamps may "cost" more.
* CON ARTISTS	Here today, gone tomorrow--with your money, if they can get it. Some roadside stands or groups of "Home Repair" gangs who sell merchandise or services cheap leave town before you discover worthless, poor quality of items bought. Goods may even prove stolen.

BEST PROTECTION AGAINST SUCH PROBLEMS?

* Know what YOU really need or want.
* Buy only from established merchants who are known and respected in the community.
* Don't fall for the "something for nothing" idea.
* If in doubt about the reputation of the seller, check his reliability with agencies such as the Better Business Bureau.

Exercises

Your resources are too important to spend carelessly and without planning. See how cautious a consumer you are by completing the following exercises.

TRUE	FALSE	
____	____	1. One of the best ways to avoid being "taken" is to buy from reputable dealers.
____	____	2. Easy credit often means higher interest rates.
____	____	3. If an ad says "Win a Prize", you can be sure it's phony.
____	____	4. Trading stamps cost money for the merchants who give them. The cost is passed on to the customer.
____	____	5. If a deal sounds too good to be true, it probably is.

Decisions, Decisions

Review your "Decisions, Decisions" Passwords section.
Complete the following statements with the correct Password:

1. _____ _____ can begin at home and includes answering the What, Where, When and How questions about a purchase.

2. _____ are work or duties performed by a professional or one especially trained to do such a task.

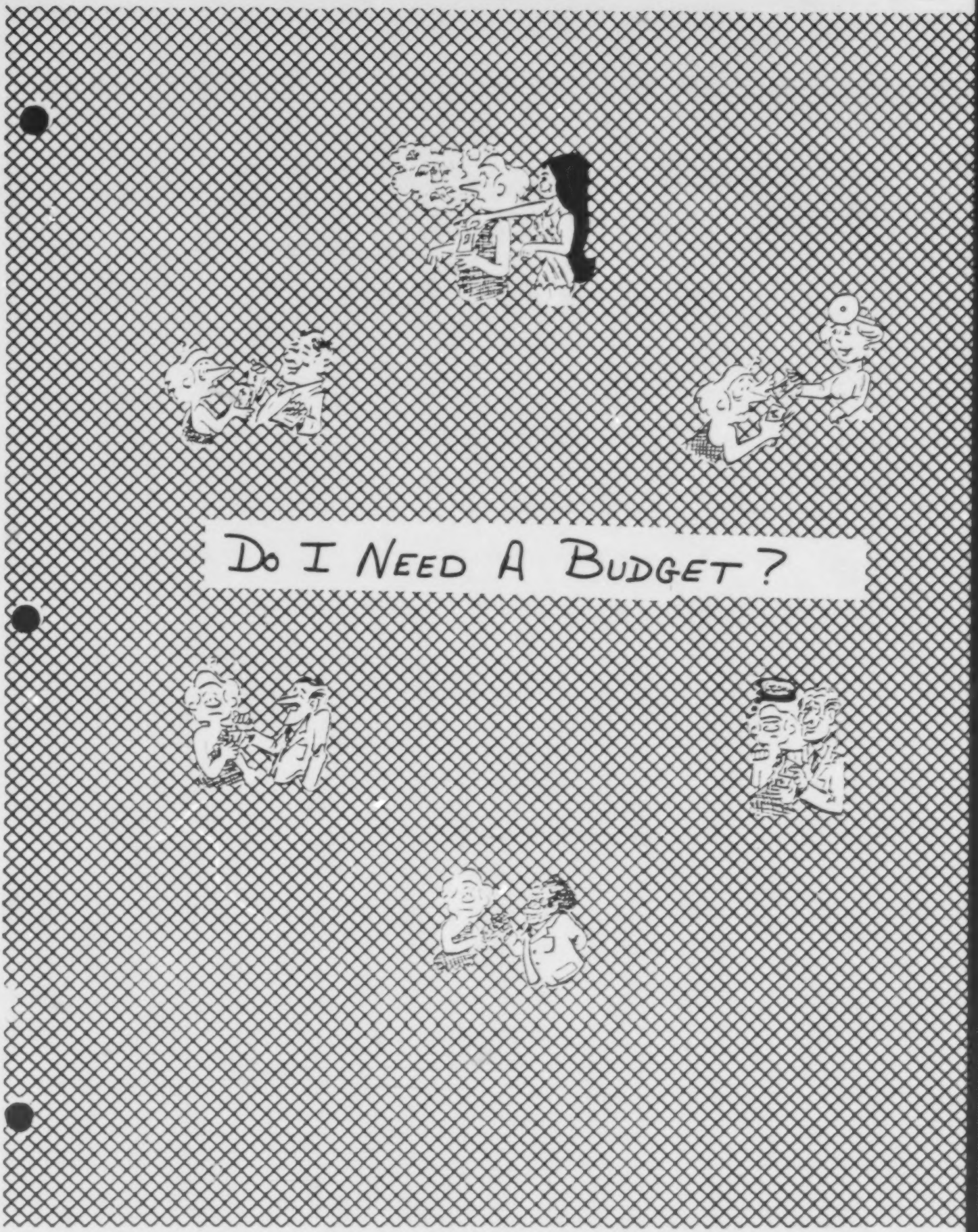
3. _____ _____ is spur-of-the-moment or unplanned purchasing.

4. _____ _____ _____ is a sales gimmick in which an item is advertised, but a more expensive one is offered to the customer.

5. _____ is the rate of interest for one year.

List and discuss actions and influences which may cause the modern consumer to make less than wise consumer decisions.

Evaluate your own shopping behavior. Will you now be a more informed, wiser shopper?


DO I NEED A BUDGET?

passwords ...

Do I Need a Budget?

BUDGET	*A plan for using your money*
ESTIMATE	*Calculate; gauge*
FIXED EXPENSES	*Expenses which remain much the same from month to month*
FLEXIBLE EXPENSES	*Expenses which can vary from month to month*
INCOME	*Money received on a regular basis*
LUXURIES	*Non-essentials; something enjoyed as an addition to the ordinary necessities and comforts of life*
SCARCITY	*Deficiency; limited resources to purchase unlimited needs and wants*

Ready to Move On?
Do You Know the Passwords?

Do I Need a Budget?

You can benefit from budgeting if there never seems to be quite enough money to go around; if you seem to be the only one who runs out of money too soon; if you wish you could save, but seem unable to, etc., etc.

Budgeting is:

a plan of action for spending your money

a personal matter, depending on personal choices & individual lifestyles

telling your money where to go rather than wondering where it went

a way to see where you are spending, which expenses are needless or are luxuries you can do without

a way to help <u>you</u> deal with the problem of SCARCITY

The wise consumer has some idea of where his money is going--what items his money is being spent on, and how much each item is costing. If some type of budgeting isn't done, you may find that your money is flying out the window!

WHAT DOES A PAYCHECK PAY FOR?

WHAT OTHER THINGS WOULD YOU WANT <u>YOUR</u> PAYCHECK TO PAY FOR?

As you can see, our paychecks go to pay for a lot of things--and they go quickly! We all face the problem of SCARCITY.

THE PROBLEM OF SCARCITY

Unlimited wants and needs → so ← Limited resources (dollars and cents)

↓

We must make hard decisions about how to fulfill our needs and get those things which we want and can afford

↓

WHAT THINGS TO BUY WITH OUR DOLLARS
TO FULFILL OUR NEEDS
AND GET WHAT WE WANT
AND CAN AFFORD

To each of us, the problem of scarcity is resolved by balancing--

WHAT I NEED **WHAT I WANT** **(with)** **WHAT DOLLARS I HAVE**

Mary Moros is eight years old. She has eighty-nine cents and wants to go to the movie (cost: 50¢); buy a bag of peanuts (cost: 30¢); drink a soda (cost: 25¢); and ride to and from the movie on the bus (cost: 30¢ each way).

HOW is Mary's problem a problem of SCARCITY?

HOW should Mary solve her problem?

Talk about problems you have faced which were similar to Mary's problem.. How did you solve your problems?

Every person and all governments and nations have a problem of scarcity ! They need or want a lot, but only have so much real money to spend.

Our wants and needs must be satisfied through our mental and physical efforts--individually and collectively. To reach our goals we must make choices. These choices require personal and group decisions.

Most people (including governments and businesses) find that budgeting is one way to deal with the problem of scarcity. Budgeting includes the following steps:

1. Determine how much money there is to spend (Income)
2. Estimate expenses
   - Fixed expenses (Necessities which must be paid continually such as shelter, utilities, etc.)
   - Flexible expenses (Items such as medical care; home repair, appliances, car, etc.)
   - "Extras" -- vacations, luxury items
3. Plan for savings
4. Record actual spending
5. Compare estimates with your actual spending

When you have estimated all costs, compare the amount earned with the amount spent. Analyze your spending habits and determine areas in which you can cut costs.

An easy way to remember the important steps in budgeting is to simply remember the four basic steps:

1. START IT	Record all income and spending for a given time--a week or a month This is your spending record
2. WRITE IT	Income Estimated expenses Actual spending
3. TRY IT	Give your budget a fair trial Try it for one month Make any necessary corrections you need because of differences between planned & actual figures Try your corrected budget for a month
4. KEEP IT OR REVISE IT	If your first budget works for you--great If not, evaluate & revise if necessary Remember that budgets are very personal & no two have to be alike--budgets are based on individual values & goals.

For most of us--especially if we must live with the problem of scarcity--giving a budget a try is well worth the effort. If you have never tried one, give it a try!

TRY IT -- YOU MAY LIKE IT.

Do I Need a Budget?

List the 4 basic steps in budgeting:

1. _____
2. _____
3. _____
4. _____

A BUDGET IS OF NO VALUE IF YOU HAVE ALL THE MONEY YOU NEED.

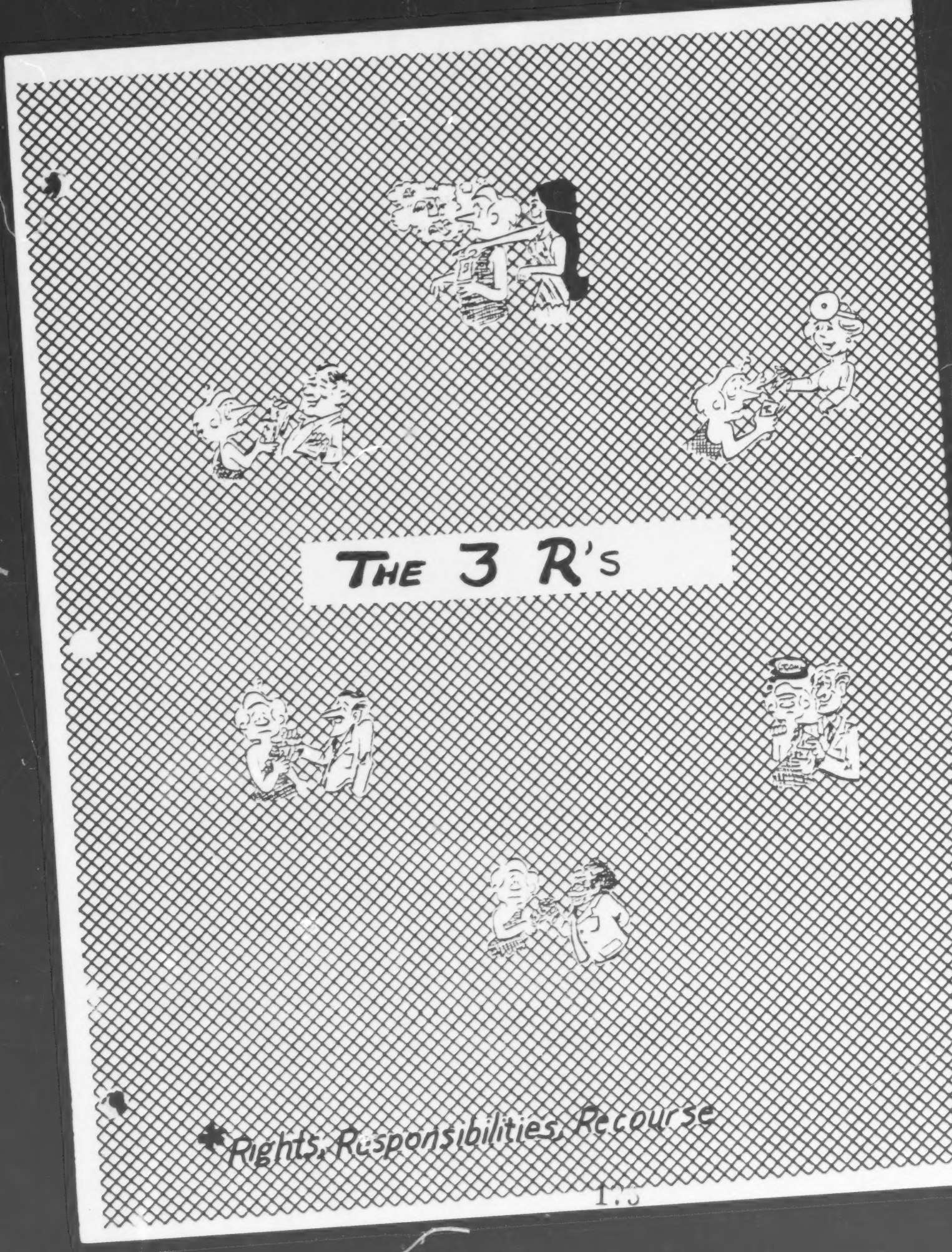
PERSONS WITH THE SAME INCOME HAVE THE SAME BUDGETS.

FIXED EXPENSES INCLUDE APPLIANCES, ENTERTAINMENT, AND GASOLINE.

All of the above statements about budgeting are *FALSE*.
See if you can think of the reasons they are false.

Explore your feelings about money:

How would you feel if you had plenty of money?
Could lack of money affect a person's attitude toward life?
What factors might influence the way people spend money?


THE 3 R's
Rights, Responsibilities, Recourse

passwords ...

The 3 R's

CONCISE	*Brief and to the point*
PERFORMANCE	*The effectiveness of operation or function*
RECOURSE	*Help; protection*
REPARATION	*Compensation; anything done to make up for a wrong*
REPUTABLE	*Respectable; well thought of*
RESPONSIBILITIES	*Obligations*
RIGHTS	*Those things to which one has a just claim or should expect*
SPECIFIC	*Definite; precise*

Ready to Move On ?

Do You Know the Passwords ?

The 3 R's *

Sometimes all does not go well in the marketplace. Then you as a consumer need to know your 3-R's -- Rights, Responsibilities, and Recourse. In most cases, this simply means knowing where to turn for help when you need it and being aware that YOU have responsibilities too.

President Kennedy proclaimed the four basic consumer rights in a 1962 message to Congress. President Ford added the fifth right in an address given in 1975.

THE BUYER'S BILL OF RIGHTS

THE RIGHT TO SAFETY -- *to be protected against the marketing of goods which are hazardous to your health, life, or limb.*

THE RIGHT TO BE INFORMED -- *to be protected against fraudulent advertising, labeling, or grossly misleading information about products, and to be given the facts you need to make an informed choice in the market place.*

THE RIGHT TO CHOOSE -- *to have, as far as possible, access to a variety of products and services at reasonable prices.*

THE RIGHT TO BE HEARD -- *to be assured that your interests as a consumer will get a sympathetic hearing by the government, and that the laws which are supposed to protect you will be enforced.*

THE RIGHT TO CONSUMER EDUCATION -- *the right without which consumers cannot gain the full benefit of the other four rights.*

Today's consumer has five rights as a buyer. He also has five responsibilities to fulfill as a consumer.

CONSUMER RESPONSIBILITIES

TO UNDERSTAND HIS ROLE AND FUNCTION IN THE ECONOMY

TO PERFORM EFFECTIVELY AS A CONSUMER AND PRODUCER

TO AVOID EXPLOITATION

TO BE HONEST IN ALL HIS DEALINGS

TO PROTEST WHEN NECESSARY

* *RIGHTS, RESPONSIBILITIES, RECOURSE*

The most common types of consumer problems include:

* misleading or deceptive sales techniques
* a purchase on which we were "overcharged"
* an order paid for, but not received
* a service promised, but not delivered
* a product whose performance fails

These problems might be thought of as being one of four basic types of failures:

DELIVERY FAILURES
PERFORMANCE FAILURES
FAILURE OF COMMUNICATION
MISREPRESENTATION, DECEPTION, FRAUD (clear, deliberate intention to deceive)

Most of us can think of at least one example of each of the above types of failure. If it has not happened to one of us, probably a member of our family or a close friend can give examples from their experiences.

Remember, though, that the failure can be on your part as the unwise consumer. You may not have been informed as to what you were really ordering or buying, or what was <u>really</u> promised.

Purchase from reputable sellers, ones who are known for easy-return, high-service.

Keep ALL papers pertaining to your purchase. The more important the purchase, the more important it is to keep all such papers should you need them.

If you are certain that you have fulfilled your responsibilities and the fault is that of the seller, decide what you expect from the seller. You might decide on any one of the following:

1. Replacement of the article (or service) with a satisfactory one
2. Repair
3. Refund of purchase price
4. Provision of substitute article (or service) during the repair period
5. Cash or like-kind reparation

LEVELS OF CONSUMER ACTION

Let's return to our friend, Carlos Tillis. Several months after he purchased his stereo, it would not work. Carlos had really taken good care of that stereo! He kept the dust cover on. He carefully turned it off when it was not in use. He kept it in an air conditioned apartment. So when it broke down, Carlos felt that he had been a responsible buyer and owner of that stereo. He also felt that his stereo should not have broken down after only a few months!

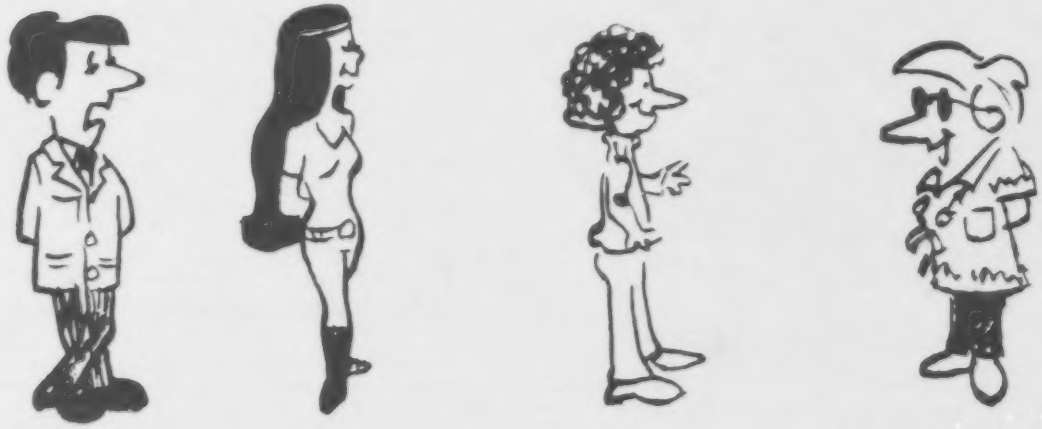
Carlos can take action at three levels:

INTERPERSONAL LEVEL -- Carlos can call the salesperson who sold him the set and ask the company to repair the stereo at no cost to Carlos.

INTERGROUP LEVEL -- Carlos can appeal to the Better Business Bureau in his city and call the company to get them to repair his stereo at no cost to him.

SOCIAL SYSTEM LEVEL -- Carlos can appeal to government agencies to complain about the poor service he received from his stereo, hoping that they have rules about this and will get the company to fix his stereo.

Which level of action should Carlos try first? Why?
Which level of action will be easiest for Carlos to pursue? Why?
If you were Carlos, what would you do? Why?



Consumer Complaints

Consumers often do have real complaints. A new article doesn't work, Carlos' stereo ceases to operate in less than a year, Mary receives poor postal service. What to do? Learn the Basic Rules of Complaining:

1. GO BACK TO THE DEALER WHO SOLD THE PRODUCT, OR TO THE SERVICE AGENCY TO WHICH HE DIRECTS YOU
   - Take the product (unless it is too large)
   - Take the original sales slip
   - Relate pertinent details: date of purchase
     date problem arose
     description of problem
     identification number of article if you have not returned it
   - Let the facts speak for themselves

2. IF HELP IS REFUSED, WRITE OR TELEPHONE MANUFACTURER'S CUSTOMER RELATIONS DEPARTMENT
   - Again state key facts clearly: dates
     serial numbers
     place of purchase
     amount paid
     what went wrong
   - Send photocopies of canceled checks and previous correspondence
   - Never, never send original documents

3. IF THIS DOESN'T PRODUCE RESULTS, WRITE THE COMPANY'S PRESIDENT, COLDLY STATING THE FACTS
   - Sources of company addresses and names of presidents:
     Poor's Register of Corporations, Directors and Executives
     Moody's Industrial Manual
     "Directory" issues of "Fortune," "Business Week," or "Forbes"

4. SEND COPIES OF CORRESPONDENCE
   - Local consumer protection organizations
   - Such other organizations as the Office of Consumer Affairs in Washington, Consumers Union, and the local better business bureau

5. TELL YOUR PROBLEM TO THE LOCAL NEWSPAPER
   - Letter to the Editor
   - Tip to the city desk
   - Telephoned request for help

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6. USE CONSUMER "ACTION LINE"
Many radio and TV stations provide this service
Information and follow-through is provided

Mary, a friend of Carlos Tillis, also has a consumer problem. Mary has had trouble with the United States Postal Service. Many times packages arrive damaged. Many times her mail is put into her neighbor's box, three blocks down the street. And recently, she was confronted by a rude postal worker as she was trying to mail a letter to Japan. Mary is irritated by all of this and wants to take "consumer action." What can she do at each LEVEL of CONSUMER ACTION? Try to help Mary by thinking out loud (Brainstorming) and sharing ideas with your class.

INTERPERSONAL LEVEL -- Example: call the local postmaster

1.

2.

3.

INTERGROUP LEVEL -- Example: write letters to national consumer groups about the quality of the U.S. Postal Service

1.

2.

3.

SOCIAL SYSTEM LEVEL -- Example: contact her congressperson to initiate new laws and rules about the operation of the U.S. Postal Service

1.

2.

3.

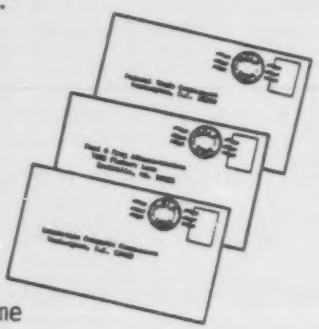
SUMMARY: What is Mary's Responsibility as a postal service consumer?

What are Mary's Rights as a customer of the U.S. Postal Service?

Think about the three best kinds of Recourse which Mary might take to resolve her consumer problems.
Why are your choices the best?

In all instances--don't dramatize. Just tell it the way it is.

Rude salespeople, deceptive advertising, late deliveries, confusing warranties, and outright gyps are all possibilities and reasons for legitimate consumer complaints. But the wise consumer will remain calm and appear unemotional if he wishes to come out the winner in such difficult situations.



Useful addresses

Sometimes we know exactly what the problem is or what type of information we need, but do not know where to write. Some helpful sources appear below.

FOR	WRITE
Advertising	Director Bureau of Consumer Protection Federal Trade Commission Washington, D.C. 20580 202-523-3727
Air Travel	Director Office of Consumer Affairs Civil Aeronautics Board 1825 Connecticut Avenue N.W. Washington, D.C. 20428 202-426-8058
Appliances	MACAP (Major Appliance Consumer Action Panel) Complaint Exchange Room 1514 20 North Wacker Drive Chicago, Illinois 60606 312-984-5858
Auto Safety	Director Office of Public and Consumer Affairs National Transportation Safety Board U.S. Department of Transportation 800 Independence Avenue S.W. Washington, D.C. 20591 800-424-9393

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Boating	Chief Information and Administrative Staff US Coast Guard Washington, D.C. 20590 202-426-1080
Borrowing	Director Bureau of Consumer Protection Federal Trade Commission Washington, D.C. 20580 202-523-3727
Broadcasting	Federal Communications Commission 1919 M Street N.W. Washington, D.C. 20554
Civil Liberties	American Civil Liberties Union 22 East Fortieth Street New York, New York 10016
Credit Rating	Associated Credit Bureaus, Inc. 6767 Southwest Freeway Houston, Texas 77074
Door-to-Door Sales	Direct Selling Association 1730 M Street N.W. Washington, D.C. 20036
Drugs & Cosmetics	Consumer Inquiry Section Food and Drug Administration 5600 Fishers Lane Rockville, Maryland 20852 301-443-3170
Energy	Director Office of Consumer Affairs Department of Energy Washington, D.C. 20585 202-252-5141
Environment	Office of Public Awareness Environmental Protection Agency Washington, D.C. 20460 202-755-0700
Food	Assistant Secretary for Food and Consumer Services US Department of Agriculture Washington, D.C. 20250 202-447-4623 Consumer Inquiry Section Food and Drug Administration 5600 Fishers Lane Rockville, Maryland 20852 301-443-3170

Fraud	Director Bureau of Consumer Protection Federal Trade Commission Washington, D.C. 20580 202-523-3727
Furniture	FICAP (Furniture Industry Consumer Advisory Panel) P.O. Box 951 High Point, North Carolina 27261
Housing	Department of Housing and Urban Development Division of Consumer Complaints Washington, D.C. 20410 800-424-8590
Insurance	American Council of Life Insurance 1850 K Street N.W. Washington, D.C. 20006 Insurance Information Institute 110 William Street New York, New York 10038
Mail	Consumer Advocate U.S. Postal Service Washington, D.C. 20260
Moving	Bureau of Operations Interstate Commerce Commission 12th Street and Constitution Avenue N.W. Washington, D.C. 20423 800-424-9312
Product Safety	Consumer Product Safety Commission Consumer Services Branch Washington, D.C. 20207 800-638-8326
Taxes	Treasury Department Office of Public Information Washington, D.C. 20220 Internal Revenue Service Washington, D.C. 20224
Tenants' Rights	National Tenants Organization 1742 N Street N.W. Washington, D.C. 20036
Veterans' Benefits	Veterans Administration 810 Vermont Avenue N.W. Washington, D.C. 20420
Warranties	Division of Special Statutes Federal Trade Commission Washington, D.C. 20580 202-724-1100

The informed consumer is also aware that there are nationwide consumer organizations which may be of interest to him in solving a problem. There are also groups which he may wish to support through his membership because he believes in the same cause and is interested in his fellow American consumer.

NATIONWIDE CONSUMER ORGANIZATIONS

NAME	AREAS OF CONCERN
Bureau of Consumer Protection Federal Trade Commission 414 11th Street N.W. Washington, D.C. 20580	Deceptive advertising Illegal sales tactics Violations of the Truth-in-Lending Law Consumer frauds, misrepresentations, unfair trade practices
Center for Study of Responsive Law P.O. Box 19367 Washington, D.C. 20036	Wide range of study subjects including mental health, aviation, coal mining, land grant colleges Ralph Nader's working address
Citizen Action Group 133 C Street S.E. Washington, D.C. 20003	Aids students and citizens in organizing state and local consumer action groups and public interest research groups
Common Cause 2030 M Street N.W. Washington, D.C. 20036	Largest citizens' lobby Purpose--to improve function and accountability of government
Congress Watch 133 C Street S.E. Washington, D.C. 20003	Lobby group which keeps tabs on voting records, committee performance, and responsiveness by senators and representatives to their constituents and the public generally
Consumer Federation of America Suite 406 1012 14th Street N.W. Washington, D.C. 20005	Private, non-profit national federation of one hundred state and local consumer groups Helps groups organize and act Testifies and lobbies on proposed consumer legislation Publicizes important issues
Consumers Union 256 Washington Street Mt. Vernon, New York 10550	Publishes Consumer Reports magazine Participates in lawsuits on behalf of consumers

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Council of Better Business Bureaus
1150 17th Street N.W.
Washington, D.C. 20036

Headquarters of Better Business Bureaus

Chief
Consumer Complaint Staff
Office of Consumer Affairs
Department of Health, Education & Welfare
Washington, D.C. 20201

The consumer's "man in Washington"
Government agency concerned with the individual consumer's problems, consumer education and legislation

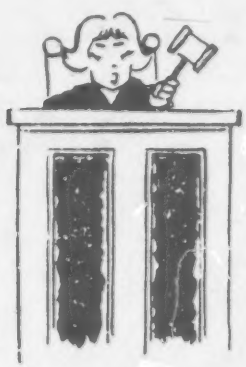
In addition, don't forget such helps as newspaper complaint columns ("Action Line", etc.) or consumer television programs, both of which solicit individual consumer input.

Remember your 3 R's --

You do have Rights

Fulfill your consumer Responsibilities and be properly informed

Don't forget that there are avenues of Recourse (letters, complaints to the Better Business Bureau, small claims court, etc.)



The 3 R's

Label each of the following consumer problems.
Tell which of the types of failure each represents: DELIVERY
PERFORMANCE
COMMUNICATION
FRAUD

1. _____ The consumer understood his new washer would be delivered and installed. The seller expected the buyer to make these arrangements.

2. _____ The seller claims the toy is safe although he has evidence in the form of consumer complaints that it is not safe.

3. _____ All models for a certain year must be recalled by the manufacturer because they have been found unsafe.

4. _____ A product is delivered, but without all the options ordered.

5. Write the numbers of the two examples above which would be complaints to be forwarded to the Consumer Product Safety Commission. _____ _____

Choose a product commonly purchased by the modern consumer. Discuss the consumer's rights, responsibilities, and recourse as a consumer of that product.

Is it true that today's consumer is often too concerned with his rights and often forgets his consumer responsibilities?

SELF - EVALUATION

1. As you reflect upon your experiences using this PAL, what were the most important things you learned?

2. What were the most important things you learned about:

   A. Your role as an American consumer?

   B. The American free enterprise system?

   C. The decisions you must make before making a purchase of goods or services?

   D. How budgeting can help in wise money management?

   E. Your rights, responsibilities, and recourse as a consumer?

3. What are the important consumer education topics about which you want to know more?

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PROJECT $CAT

You have just completed studying one module of the SCAT curriculum. There may be other topics about which you wish to learn more. SCAT modules can help you acquire skills, concepts, and knowledge necessary to function as an informed and wise consumer in twelve areas.

HEALTH AND THE CONSUMER contains 6 units:

BALANCED DIET:	Eater's Digest
FOOD ADDITIVES:	Eat, Drink, and Be Healthy
FOOD SHOPPING:	Food for Your Brood
MEDICAL CARE:	Say Ahh!
PERSONAL GROOMING:	Let's Face It!
PRODUCT SAFETY:	An Ounce of Prevention

MONEY MANAGEMENT AND THE CONSUMER contains 6 units:

BASIC ECONOMIC SKILLS:	Baffled, Bothered, Bewildered
BUDGETING:	Easy Come, Easy Go!
BANKING:	You Can Bank on It!
CREDIT:	Ch..a..r..rge!!!
INSURANCE:	It's Later Than You Think
TAXES:	An Offer You Can't Avoid

"$KILLS FOR CONSUMERS APPLIED TODAY"

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